

STEEL STRIKE

Those men of steel behind the strike

By Alan Hamilton

This room is cluttered and almost tiny. The three telephones jangle endlessly, but the voices of the union officers are deliberate and calm. The impression is that everything is under control... and there are no uniformed girls pushing miniature pickets across any giant table map of Britain.

The first national steel strike since 1926 is run from the first floor of Swanton House, the Iron and Steel Trades Confederation's headquarters of 1928 vintage a mere shout from Kings Cross station, with the solid look of a bank and a well-padded interior to match. "We do not believe in inflicting poor working conditions on our staff", observes Mr Kenneth Clarke, one of three union officers manning the strike control room for 12 hours every day.

Each day begins soon after 8 am with Mr Clarke, Mr Roy Evans and Mr Sandy Feather, son of an illustrious union father, receiving reports from the union's seven regional offices throughout the country on the progress of the strike. The daily bulletin is typed and displayed. Then the three confer with Mr William Sims, the general secretary, and bring him up to date on the strike.

From then on, the union's small and overhated switchboard is jammed with incoming calls for the rest of the day. The



Mr Kenneth Clarke (left) and Mr Sandy Feather at the hub of the national steel strike.

Photograph by Bill Warhurst

three officers lament the apparent inability of the Post Office to supply extra lines at short notice. Most calls are not from union members at all, but from engineering firms and other customers of the British Steel Corporation desperately seeking dispensation from the union to allow steel supplies into their works.

"This is the most difficult part", explains Mr Clarke. "We have to say no to most of them, because we are not certain where their steel is coming from. We believe BSC brought in a million tons of

foreign steel shortly before the strike, and that is now distributed around the country."

The control room keeps in close touch with the railway, transport, docks and seamen's unions which have all affirmed their support and frequently ring up to offer help, or to report a sighting of steel on the move. Sheaves of telegrams of support arrive from steel unions in Mexico, Germany, Norway, the Soviet Union and elsewhere, many of them having been whisked off to a translator before their message can be understood.

Day-to-day organization of picketing is arranged from the seven regional offices at Glasgow, Middlesbrough, Rotherham, Sutton Coldfield, Newport, Swansea and Knutsford, but the London headquarters occasionally sends pickets into uncharted territory. Yesterday they had arranged for 50 men from Sheffield to make a quick tour of south coast ports to see if they could spot any blacked steel entering the country.

Pride of place on the campaign notice board yesterday was given to a leader column from *The Sunday Times*. "Very

good stuff; that should do us a lot of good", was the unanimous verdict of the officers.

In the front hall of the building, the officers point proudly to a handsome stainless steel sculpture made and presented by apprentices at the Iron and Steel Trades Confederation. "A product of the private sector, of course", says one of the officers wryly. "You wouldn't get that from Mr Pasty's outfit", a slighting reference to the public sector whose chairman bears a slight physical resemblance to a one-time favourite of children's television.

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HOME NEWS

Two million workers in critical test of public sector pay limit

By Paul Roudledge and David Felton

The Government's policy of containing pay rises in the public sector faces a series of critical tests over the next few days, in wage deliberations covering nearly two million workers.

Local government manual workers are expected to reach agreement on a 14 per cent package within the Cabinet's cash limits, but negotiations covering civil servants, railwaymen and water workers are running into difficulties.

Preliminary talks between Civil Service union leaders and the Civil Service Department due to have taken place yesterday were called off after disagreement between the two sides on the true money value of pay research unit findings on the pay gap between the private sector and government employment.

Extensive discussions covering nearly 500,000 white-collar civil servants are likely to be resumed tomorrow or later in the week. The unions say that since their last settlement, manual employees were last paid 20 per cent. They want the difference made up.

Union leaders seeking increases of 22 to 30 per cent for 42,000 British Gas Corporation manual employees were last night offered increases ranging from 13.4 per cent to 11.37 per cent for craftsmen (16.6 per cent), with improved stand-by payments and holiday concessions.

The offer was not accepted. Talks are being resumed on February 1.

In the public services the Government is expected to achieve its first substantial success Thursday, when its wage delegates to sanction a strike if the employers refuse a commitment to implement a comparability study.

The 14 per cent settlement will influence an offer the next day to 250,000 hospital ancillary workers.

Those two groups engaged in industrial action last year against the Labour government's 5 per cent incomes policy, but show little inclination to repeat their militancy, and similar settlements are now likely among ambulance men and nurses.

Pay and productivity talks yesterday between the British Railways Board and the three main rail unions ended with a division between two of the unions, but there was agreement to start detailed negotiations.

The dispute between the National Union of Railwaymen and the Associated Society of Locomotive Engineers and Firemen (Aslef) centred on how the talks should proceed.

The NUR wanted industry-wide discussions involving all three unions but has settled for working parties on each union's area of responsibility. The unions were meeting the board to discuss their reply to BR's demands for increased productivity contained in the boards *Challenge of the 80s* programme. The unions' reply was a 500m package of improvements in basic rates, a shorter working week and improved holiday entitlement. The first working parties are expected to meet later this week.

In the water industry a second union is expected to come to follow the General and Municipal Workers and threaten strike action.

An executive meeting of the National Union of Public Employees is likely to ratify a call from its wage delegates to sanction a strike if the employers refuse a commitment to implement a comparability study.

The study shows that the 33,000 manual water workers are paid £10 a week less than gas and electricity workers. The unions claim between 46 and 50 per cent, while the employers say they can offer only just over 13 per cent.

On Thursday the Transport and General Workers' Union is expected to follow the GMWU and NYPE with a strike threat. Meetings between the unions are due to be held on Thursday, and a joint approach will be made to the employers as Friday.

About 25,000 manual workers at universities have received an offer which includes a reduction of one hour in the working week, four days' extra holiday and improvements on basic rates ranging from £6.09 a week to £7.50. The package amounts to about 14 per cent.

The unions seek a 35-hour week and reaffirmation, despite findings of the Clegg commission, that two thirds of the national average wage is a fair minimum wage for the manual workers. Members of three unions will vote on the offer, which seems likely to be accepted.

A potentially troublesome negotiation involves 2,000 municipal airport manual workers, who have submitted a claim for pay with British Airways' staff. They received a 10 per cent interim offer, and meanwhile await the result of Clegg investigations, which is not expected before the middle of next month.

A model of the Government's policy on pay and productivity can be found at Solihull, where there has been general acceptance by the company's 55,000 workers to force cost-of-living rises and agree to productivity-linked deals. Government pay nerve, page 17

Pickets switch blockade to ports in south-east after cargo diverted

By David Nicholson-Lord

Steel worker pickets are to extend their action to ports in the south-east today after reports that cargoes of imported steel destined for docks in East Anglia have been diverted there.

Among the ports they plan to blockade are Rochester, on the Medway, and Dartford, on the Thames. Pickets from Sheffield will be joining with Kent miners. More than 50 steel workers from Corby are travelling to Rochester today and tomorrow will be bringing a caravan down to house them for an indefinite blockade.

Mr Michael Skelton, the Corby strike coordinator, said yesterday that at least three ships had been diverted there from King's Lynn.

Picketing at King's Lynn and Boston docks, together with blacking of cargoes by dockers and drivers from the Transport and General Workers' Union, has stopped steel imports. Mr Robert Owen, manager of King's Lynn docks, said that no steel was now being brought in. The ports normally handle more than 250,000 tonnes a year.

However, Mr Owen could not confirm that ships had been rerouted. "We do not even know whether owners on the Continent are bringing in the cargoes at all," he added.

The big Corby works was left yesterday with only a token picket as local and Iron and Steel Trades Confederation officials concentrated on champing

down on movement of steel between stockholders and customers.

Several pickets from Corby, together with men from the Stockbridge plant, near Sheffield, moved in at dawn against John Lee Steel Services, a wholly owned British Steel stockholder at Grantham, Lincolnshire. Other reports that Transport Union drivers had been ignoring headquarters' and taking steel out across picket lines.

The dispute at John Lee disclosed confusion and tensions among unionists. While 12 of the company's drivers belonging to the Transport Union were sent home last week for refusing to deliver steel, 45 loaders in the General and Municipal Workers Union are continuing to work on union advice.

This has led to bitterness among their ISTC colleagues who are office staff not involved in the main pay claim. Of the 25 ISTC staff at the company, 21 who struck last week in support are women, and local officers of the union say there is mounting pressure among them to return to work.

Ronald Faux writes from Matherwell: Strike pickets in Scotland changed their tactics yesterday and began directing their main action against factories and engineering works that use steel in the central industrial belt.

Targets include such companies as Caterpillar at Uddingston, Talbot at Linwood, Hoover

at Cambuslang, and Motherwell Bridge and Honeywell at Newhouse. The British Leyland heavy vehicle plant at Balgaithe was also picketed.

Strike organizers at their headquarters in Matherwell claimed that their action was proving effective and that most Scottish stockholders had agreed not to move substantial loads of steel.

Ronald Karshaw writes from Sheffield: South Yorkshire police outside the private sector steelworks of Hadfields, Sheffield, widely regarded as the trouble centre of the north, reported their quietest day of the strike yesterday.

Freezing, torrential rain reduced the number of pickets to a couple of dozen outside the plant. The absence of a makeshift shelter and a brazier did nothing to help the pickets.

Private sector steelworkers in South Yorkshire decided at a weekend meeting that they would disregard any instructions by their union, ISTC, to join the BSC strike.

Within the plant, normal working proceeded and lorries entered and left without trouble after drivers made only brief stops to listen to pickets.

Mr Arthur Scargill, the Yorkshire miners' president, said after a meeting of a Yorkshire area council of the National Union of Mineworkers yesterday that no "black" steel would be accepted by Yorkshire miners. He refused to define "black" steel.

'Cash needed' to get peace talks going

By Our Labour Editor

Steel union leaders yesterday insisted once again that there would have to be "money on the table" before talks to end their two-week-old strike could begin. They also hinted that a third party might be required to bring the two sides together again.

That was the guidance on the state of the dispute given to the Advisory, Conciliation and Arbitration Service on the eve of a meeting at which extension of the state sector shutdown into the private sector will be discussed. Private steelmaking plant shop stewards of the dominant Iron and Steel Trades Confederation are to hold talks in London this afternoon, but they will almost certainly refuse to call on another 10,000 men not directly affected by the pay confrontation in the British Steel Corporation.

South Yorkshire private steelmen in particular, angered by the impact of secondary picketing by their BSC colleagues in the Sheffield and Rotherham areas, have said they do not want to join the BSC strike.

View conveyed to ISTC leaders will be put tomorrow to a full meeting of the union's executive, which alone has the power to extend the shutdown.

During the hour-long briefing meeting with Mr James Morrison, chairman of Aca's, yesterday, Mr William Sims, general secretary of the ISTC, reaffirmed the strikers' insistence on an improved offer from British Steel before reopening

negotiations. He also suggested that a mediator or go-between would have to restart the peace process.

An ISTC spokesman said that perhaps relationships "had gone beyond the point where we can sit down and talk with the corporation without getting cross with one another".

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Wales TUC delays strike for a week

From Tim Jones

The Wales TUC yesterday announced a one-day strike in two weeks' time to protest against imported coal and threatened prolonged industrial action in March unless the British Steel Corporation (BSC) shelves its plans to run down the industry. A total ban on handling coal ships in South Wales will continue.

The 14 unions at yesterday's meeting in Cardiff postponed their plans to call an all-out strike from next Monday after being placated by promises of firm action from the British TUC. Significantly, leaders of the South Wales miners, who

arrived with a mandate from their members supporting the original strike call, abstained from voting.

After three hours the unions accepted that the British TUC should be responsible for coordinating opposition to the steel cuts but added a proviso that they would go it alone unless the points outlined in their formula had been settled by March 10.

This called for the dismissal of the BSC's top management, a two-year halt to any closure plans and an inquiry into the way the BSC is run.

Mr George Wright, secretary of the Wales TUC, said: "Our purpose is to tell the Govern-

ment the BSC and the TUC how we view the severity of the problem they face us. We are not kidding anyone."

The one-day strike will be specifically to protest against imported coal.

Miners' leaders claim that the BSC is about to sign a two-year contract for a further 1.2 million tonnes of foreign coal, and have promised independent industrial action if such a deal goes through. The BSC refused yesterday to comment.

As part of their strategy to maintain a militant impetus the Wales TUC has asked Mr Len Murray and members of the TUC General Council to visit Cardiff for urgent discussions.

Yorkshire men reinforce

Midland lines

From Penny Symon

Steel workers from Yorkshire have been rushed to the West Midlands to reinforce the largest concentration of steel stockholders in the country, increasing the number of pickets there by an estimated 40 per cent.

About 140 men from Sheffield and Rotherham arrived yesterday at Birmingham's Borough Labour Party headquarters in Bristol Street, where party workers, members of the Iron and Steel Trades Confederation and other unions helped to organise them.

Mr R. Bishop, ISTC divisional officer for the Midlands, said he had asked for extra pickets because the area contained few British Steel Corporation plants, so that there were not many steel workers available.

"Response was good and accommodation is being provided in people's homes", he said. Mr Bishop is hoping for a further 100 men later this week, but heavy snow which began at lunchtime yesterday could hamper that.

"The men who picketed today were not happy about the terrible weather, but they are equipped with warm clothing and sleeping bags", he said. "Our problem is keeping them warm and fed, and we have a soup van going round, manned by wives of ISTC officials. But that got stuck in the snow today."

"We believe we have public opinion on our side, judging by the number of beds offered for the pickets."

About 30 firms were picketed yesterday, most of them private steel stockholders. Private firms have a 90 per cent share of the market; the rest is run by BSC's stockholding division.

The largest number of pickets, about 50, was at the P. J. Perry Co., in Willenhall, as the ISTC is concerned about that firm's movement of imported steel.

Mr Ernest Pler, Perry's managing director, said he had a small amount of BSC steel in stock, about 120 tonnes, and he had promised union officials that it would not be moved. "But I must move stock which is of EEC origin", he said. "If I cannot, I shall go bankrupt."

Why steel output lags behind

EEC companies

By Patricia Tisdall

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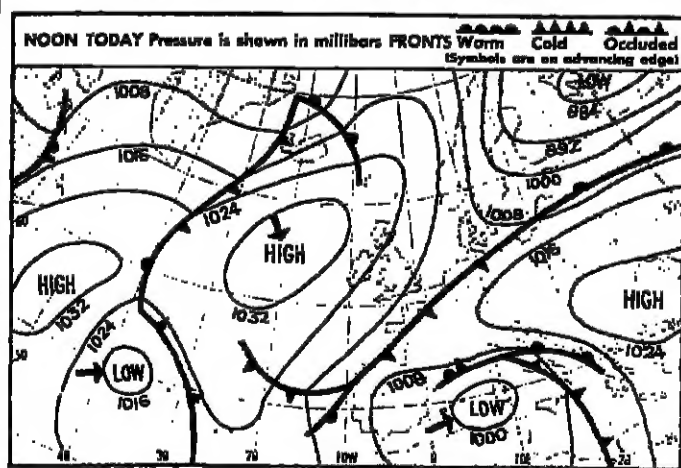
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Weather forecast and recordings



NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded

b-blue sky; c-clouds; dr-drizzle; f-fog; g-gale; h-hail; i-isotherms; l-low; m-mist; n-northerly; o-overcast; p-partially cloudy; r-rain; s-sunny; t-thunder; w-wind; y-yellow

Strait of Dover, English Channel (E): Wind NE, moderate, increasing to fresh or strong; sea moderate or rough.

St George's Channel, Irish Sea: Wind NE, strong, occasionally gale at first; sea rough or very rough.

Yesterday

London: Temp: max 6 am to 6 pm, 1°C (34°F); min 6 pm to 6 am, -2°C (28°F). Humidity, 6 pm, 83 per cent. Rain, 24 hr to 6 pm, a trace. Sun, 24 hr to 6 pm, 2.9 hr. Bar. mean sea level, 6 pm, 1.033 millibars, falling.

1,000 millibars = 29.53 in.

Overseas selling prices

Australia \$1.50; Austria Sch 30; Belgium BF 80; Canada Cdn 30; Denmark Dkr 4.80; France FF 6.55; Germany DM 3.36; Greece Dr 160; Hong Kong HK\$ 7.80; India Rupee 13.25; Italy Lit 1,360; Japan Yen 160; Korea Won 100; Luxembourg Lfr 40; Netherlands Gld 1.80; Norway Kr 4.75; Portugal Esc 200; Spain Ptas 166.64; Sweden Sfr 4.66; Switzerland Sfr 70; Taiwan NT\$ 36.40; Thailand Baht 50; UK £ 1.00; USA \$ 1.00; West Germany M 3.36; Yugoslavia Ddr 13.64; Zaire Z\$ 200.

Published daily except Sundays, Mondays, 10.30 am. London and New York prices by Telex. All prices are in sterling unless otherwise stated. All prices are subject to change without notice. All prices are subject to change without notice. All prices are subject to change without notice.

Outlook for tomorrow and Thursday: Mostly dry and cold with frost and fog overnight in England and Wales; Scotland and Ireland will become less cold and changeable.

Sea passages: S North Sea, rain; s, sun; sl, sleet; sn, snow.

Today

Sun rises: 8.0 am; Sun sets: 4.20 pm; Moon rises: 4.20 pm; Moon sets: 2.20 am.

New Moon: January 17. Lighting up: 4.20 pm to 7.30 am. High water: London Bridge, 11.36 am, 6.1m; Avonmouth, 4.48 am, 11.1m; 1.16 pm, 11.1m; Dover, 8.51 am, 5.9m; 9.25 pm, 6.0m. Hull, 2.52 am, 6.3m; 4.20 pm, 6.0m; 9.31 am, 5.8m; 9.31 am, 5.8m.

A trough of low pressure will become slow moving in the English Channel, with a ridge of high pressure moving across Scotland. Forecasts for 6 am to midnight: London, SE England, East Anglia: Rather cloudy, sleet or snow drying out inland but continuing near windward coasts; wind NE, fresh or strong; max temp 2°C (36°F).

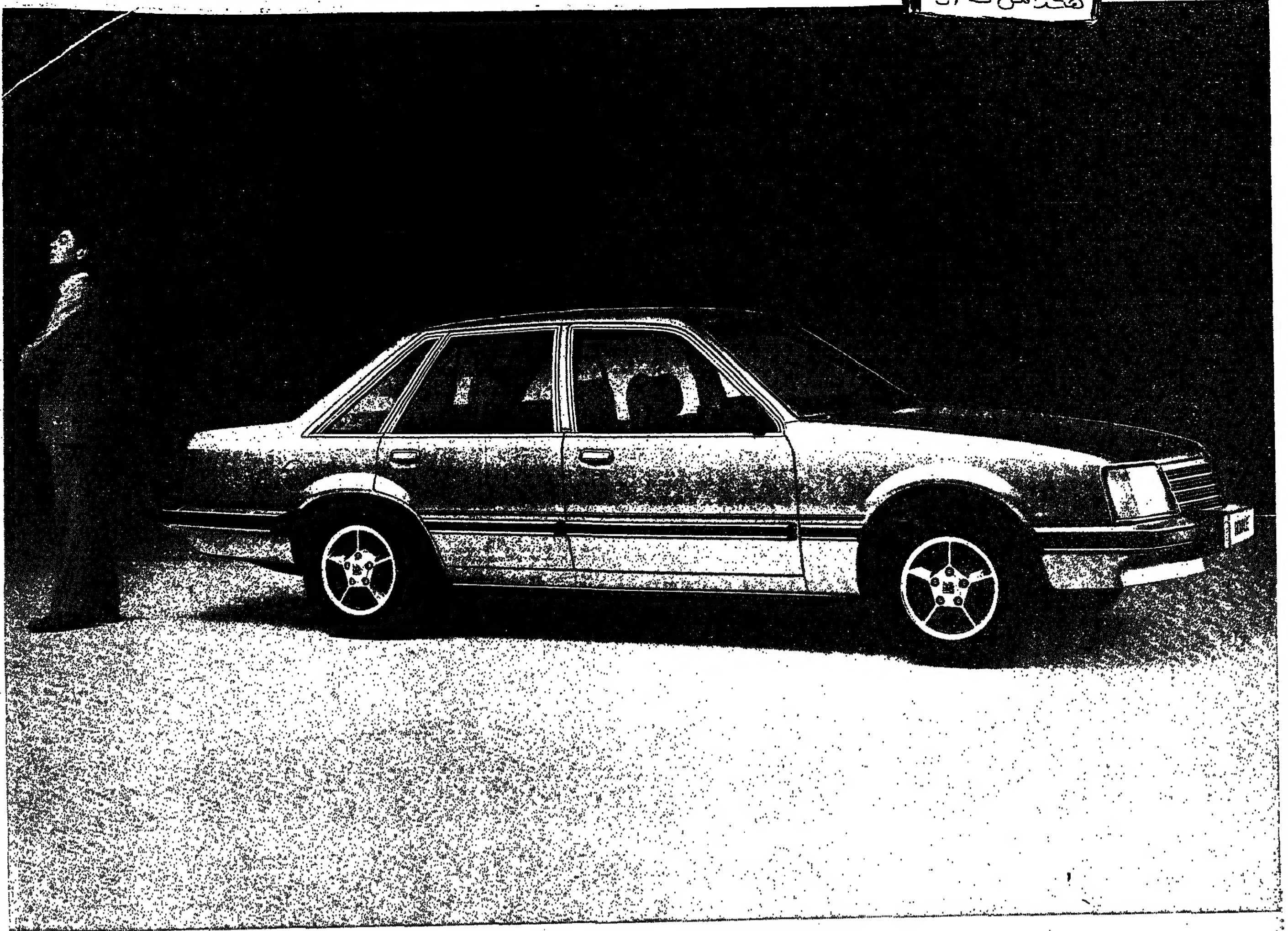
Central, S, SW England: Sleet or drizzle drying out; sunny intervals developing; wind SE, sun; sl, sleet; sn, snow.

Weather reports yesterday

MIDDAY: c, cloud; f, fair; r, rain; s, sun; sl, sleet; sn, snow.

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These days, car salesmen offer you the options list the way waiters offer you the à la Carte.

Leaving you to choose the fixtures and fittings according to your pocket.

A state of affairs which we find lamentable.

Hence, the appointments, generally found on the options lists of other cars, are already present in the Royale. For example, automatic transmission is standard. (You can have manual, if you prefer, at no additional cost.)

Nor is the car required to embrace a variety of humbler engines.

Only one is offered: a 2.8 litre 6-cylinder unit that accelerates the Royale to a top speed of 115 mph*.

Inside, the furnishings are such that even the most critical of travellers will find little to carp at.

The seats are covered in crushed velour with head

Is it vulgar to talk about value in a luxury car?

restraints at the rear as well as the front.

You can even adjust the driver's seat for height, as well as for reach and rake.

Additionally, the steering wheel can be tilted and the steering is powered.

Those interested in the smaller details will find

central locking for the doors, an electronic boot release, a sliding steel sunroof and radio/stereo cassette player.

While outside are double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

In fact, the Royale's specification is so complete that the only option offered is air conditioning.

Your Vauxhall dealer will be glad to demonstrate these virtues to you.

And you'll find he hasn't the slightest inhibition about extolling the car's remarkable value.

SALOON £11,111 COUPÉ £10,060 PRICES CORRECT AT TIME OF GOING TO PRESS. INCLUDE CAR TAX & VED DELIVERY & NUMBER PLATE EXTRA. *MANUFACTURER'S FIGURES.

VAUXHALL
ROYALE

HOME NEWS

New campaign to win state help for the vaccine-damaged

By Pat Healy
Social Services
Correspondent

A renewed campaign to win state help for vaccine-damaged children is about to be launched, despite the misgivings of the organisers about the adverse effects it could have on vaccination programmes.

Mrs Rosemary Fox, founder and secretary of the Association of Parents of Vaccine-Damaged Children, said yesterday that the campaign had become necessary because the Government had made clear that it would provide no further help.

Figures released by the Department of Health and Social Security last night showed that up to January 11 awards of £10,000 tax free had been agreed for 353 cases, 31 of them on appeal. But Mr Jack Ashley, Labour MP for Stoke-on-Trent South, and campaigner for vaccine-damaged children, pointed out in a letter to Mr Patrick Jenkin, Secretary of State for Social Services, that 2,500 claims had been made.

Emphasising that the "wrangling about compensation for vaccine-damaged children" affected the immunisation scheme, which should be supported, Mr Ashley called for an urgent review of the scheme.

The source of the anger being expressed by Mrs Fox and her association is a letter from Mr Jenkin stating that any further help for vaccine-damaged children would be made in the context of better help for the disabled generally.

He suggested that those helped under the Vaccine Damage (Payments) Act, 1979, might reach 500, as the cost could rise to £5m.

But Mrs Fox pointed out that Mr Jenkin's predecessor, Mr David Ennals, Labour MP for Norwich North, had made clear that the £10,000 payment scheme was intended to give immediate help, without prejudice to future schemes. She said Mr Ennals had confirmed to her that he had intended the Government to do more.

"It is highly irresponsible of any government to say, in effect,

"go ahead and have a campaign" when we know from the previous campaign that it will have some effect on the public's reaction to vaccination", Mrs Fox said.

"This should not become a matter of public dispute, since we have a very clear case and it is not in dispute that the children are a special case."

Mrs Fox appealed to previous supporters, including the British Medical Association, before Christmas in the hope that they would apply pressure on the Government to change its mind. Since that appeal failed, the association will be launching its new campaign on January 26.

The department insisted yesterday that the Government had not departed from policy in carrying out the new Act, and pointed out that Mr Ennals had not committed the last government to further action.

It confirmed that Mr Jenkin had written to Mrs Fox stating that there was no prospect of new legislation to extend the scope of the Act.

In his letter to Mr Jenkin, Mr Ashley said the last government had accepted that vaccine-damaged children were a special case because they had been severely damaged by a government-sponsored scheme run in the national interest.

He urged Mr Jenkin to introduce "a proper lifetime pension" on similar lines to the industrial injury and war disablement schemes, and the extension of the scheme to all vaccine-damaged children, including those born before 1948.

The Act limits help to people suffering 80 per cent disability and to those born since the start of the National Health Service in July 1948.

The scheme has not been described officially as a compensation scheme, but Mr Ennals did describe it as a method of immediate help which "did not wipe the slate clean". Mr Ennals did make it clear that the Government was awaiting its consideration of the Pearson Committee report on compensation for injury before deciding on further action, but the DESS emphasised yesterday that no commitment had been made.

Attacks take Ulster death toll to 2,004

From Christopher Thomas
Belfast

A series of attacks in Belfast in the past few days have taken Ulster's death toll to 2,004.

The Provisional IRA now appears to be following a pattern: spectacular, publicity-catching attacks succeeded by periods of relative calm in which lone gunmen and small bombing units maintain the tension.

The attacks on Sunday night and early yesterday morning, which are almost certainly the work of the IRA, demonstrate the tactic: Gunmen tried to kill a man on the Crumlin Road after hijacking his car and ordering him to take them to a drinking club; two shots were fired in the Ballyvaughan area of Belfast; and £80,000 social club was destroyed by fire.

The most astonishing attack, however, was on a reserve constable, Mr Donald Purse, aged 44, 14 minutes before the end of an Irish League football match at the Seaview ground, Belfast. He was shot inside the main gate as 1,000 supporters cheered their team on Saturday.

The brazenness of the attack took the authorities by surprise and last night the Official Unionists criticized government security policy for preventing the organizers of crime from being locked up.

As Mr Purse, a father of three, lay dead the killer was escaping in a stolen car later found abandoned in the Roman Catholic Turf Lodge area. The match was restarted but was abandoned in less than a minute when it was learned that Mr Purse was dead.

The IRA stated yesterday that a man "deported" from Ulster in 1972, who returned in defiance of a promise to stay out, would be killed if he was found to return again. The man has since more than once been seen in Belfast.

It was learnt yesterday that the Northern Ireland Office will issue invitations tomorrow to Ulster's four main political parties to a "second conference" on security, the EEC and the economy.

Letters, page 11

Whitehall brief: War Office's interwar plans for dealing with civil disorder disclosed
Troops seen only as reserve to local police forceBy Peter Hennessy
and Keith Jeffery

Last Wednesday's BBC 1 television documentary, *War School*, afforded a fascinating glimpse of official thinking in the War Office Staff College, Camberley, for the handling of civil disorder on the United Kingdom mainland.

It was a most commendable document, in that it was not a blueprint for government by the Ministry of Defence for which, no doubt, someone's career will suffer because of the predictable reaction from a handful of left-wing Labour MPs and Scottish nationalists.

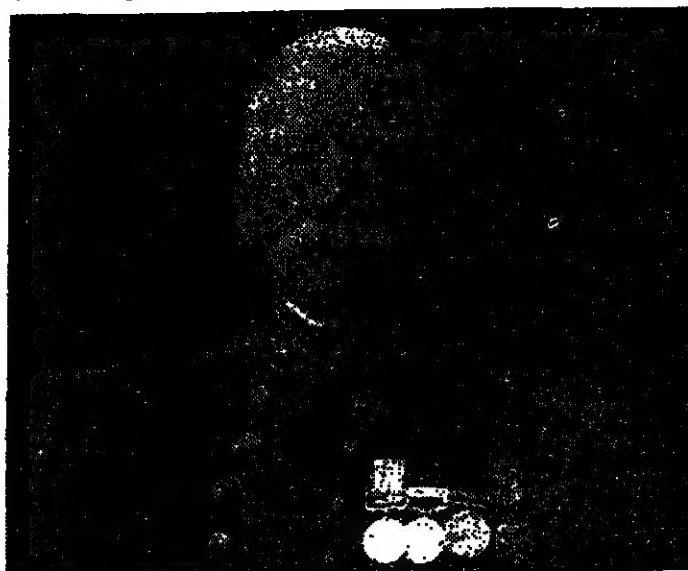
The Army's simulated response to a riot in Aberdeen carefully stage managed by subversives is probably the closest the public will get for many years to the military's contemporary contingency plans for such traumas.

The Ministry of Defence files on "Military aid to the civil power" (riot control) and "Military aid to the civil authorities" (strike-breaking) have high security classifications and a strictly limited circulation.

But previous plans for the interwar period can now be seen in the Public Record Office in declassified War Office papers. The documents show that the military combined an extreme reluctance to commit troops to the streets with a determination to have the Army ready to deal with the situation in which detailed plans for such a commitment if it becomes necessary.

The War Office position was made clear in a letter to the Home Office in July, 1927.

It was said, should not be called out until all the



Lord Ruthven: Held London command in general strike.

resources of the civil power were exhausted. It was not contemplated "that troops should be employed in lieu of police or on police duties". If troops were brought out to the streets they "should be held in formed bodies, in reserve to the local police, and there should be a clear division of labour between them and the civil police until the military are required to act."

Soldiers were given detailed instructions in a 1923 pamphlet, the equivalent of today's "Yellow Card" in Northern Ireland, it was said, should clear warning must be given

before military force was used and every party of troops was to be accompanied by a drummer or bugler.

Blank cartridges were not to be used and firing over the heads of a crowd was forbidden, as it "spares the most guilty at the expense of the possibly innocent."

Throughout the 1920s generals and politicians were obsessed by the fear of violent Bolshevik revolution erupting in Britain. After the 1914-18 War plans were prepared to thwart any

insurrection. Stores of rifles and machine guns were stockpiled

at Army depots to provide rallying points for "loyal" civilians, skeleton staff lists were compiled and an emergency communications scheme was drafted.

One intriguing file describes the planned "Emergency Home Defence", first prepared in 1921. In the event of any serious outbreak of seditious violence occurring within the United Kingdom, each Army command was to appoint an intelligence section to collect information from civilian and police sources. It was to do so only by "over the counter" and was not permitted to employ "paid secret service agents."

The plan set great store by patriotic people in the criminal fraternity (whom it described in language worthy of *John Galsworthy*) and within trade unions themselves.

Due allowance must be made, however, for prejudice and tradition, and the many people, especially in the hereditary criminal classes, who respect and would die for the old flag but would not on any account give information on any subject to the police.

Many of these men, especially if ex-soldiers, would give information from the Army, and it might be permissible, under certain circumstances, for them to receive their out-of-pocket and loss of time expenses from Army funds.

Trade unions have a definite, legal, valuable and responsible position in the country. The Army must not make the mistake of approaching the officials of a union or federation of unions as though these officials were, or even antagonistic to the national welfare.

When they are directly or indirectly involved in the apparent cases of violence and disorder, it will nearly always be found that their own authority has been usurped by irresponsible communists, anarchists or local hot-heads out for personal advantage or plunder only.

In 1924 the Army's plans were drawn together in a highly secret memorandum entitled "Duties in Aid of the Civil Power". Only 20 copies were made. During the 1925 general strike the scheme was implemented fully only in the London district.

Arrangements were made to defend Whitehall with tanks and a battalion of Coldstream Guards manned barricades blocking the main approaches to the area. The docks were occupied, and food convoys escorted to distribution points.

The Army's intelligence section was reinforced by 12 "highly trained" officers from MIS who were, it was reported, "of the greatest assistance during the emergency."

The main lessons drawn by Lord Ruthven, who commanded the troops in London in 1926, were that "except in very exceptional cases, Lewis guns and machine guns should not be taken. They decrease the bayonet men and are unsuitable for strike work in this country."

Commanding officers are unanimous in stating that the general strike was the best training for a young officer. He had obtained since the [1914-18] war, at Aldershot or elsewhere. Even Camberley, it seems, could not beat the real thing.

Poulson memoirs plan to help creditors

From Our Correspondent
Wakefield

Mr John Poulson, whose revelations have helped to bring about the bankruptcy of payments and gifts to MPs and top civil servants shook Whitehall, is to write his memoirs.

He stated that in Wakefield County Court yesterday when he successfully applied for his discharge from bankruptcy, it was stated that he would receive £30,000 in advances.

His liabilities totalled £900,000 and the trustee has recovered £311,000. Most creditors have received an interim dividend of 10 per cent.

Mr Poulson, aged 69, of Carlton Green, Pontefract, West Yorkshire, who built up the largest private architectural practice in Europe, employing 750 people, filed his petition in 1972, two years after he was jailed for seven years for conspiracy and corruption.

He was released in May, 1977, and since then has been unemployed and receiving social security benefits, according to Mr John Pykett, assistant official receiver.

Mr Poulson's examination began in 1972, but a year later was adjourned after his arrest by Scotland Yard's fraud

squad. Mr Pykett told the court during the examination, that Mr Poulson gave payments and gifts to people in order to obtain contracts from local authorities and other organizations.

Mr Simon Mortimer, counsel for Mr Poulson, said he had been bankrupt for eight years, and in two years he would get his discharge.

Mr Mortimer said that Mr Poulson was buying his discharge for a year and paying quite a substantial price. A contract had been drawn up for him to write a 120,000-word autobiography to be delivered within a year. He would receive £30,000 in advances.

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Doctors will be helped to return to practice

By John Roper
Health Services Correspondent

Doctors and nurses who moved into management in the 1974 reorganization of the National Health Service would be helped and encouraged to return to clinical practice, Mr Patrick Jenkin, Secretary of State for Social Services, said yesterday.

"I want to see more doctors practising medicine, more dentists doing dentistry and more nurses engaged in direct patient care," he told the first important conference of administrators, doctors, nurses and other NHS workers held in Portland Place, London, to consider government proposals on the future structure of the service.

Mr Jenkin, who said he wished to avoid the turbulence caused by the 1974 reorganization, when many senior staff had to reapply for their jobs, had a mixed reception.

The Government, he said, was well aware that any large organization could be destroyed by change, making a loss greater than the gain. It had been criticized because the consultative document had not spelled out in detail how staff would be affected. That would be done as soon as possible.

He agreed rules for the transfer and protection of staff were applied, it was important to do everything possible to retain the services of those best

qualified to see the NHS through the difficult years ahead.

It would be a tragedy if all those people with talent and experience who were nearest to the point of patient care, felt that their interests could be best served by leaving the service, he said.

Mr Jenkin disclosed that in the long-term reorganization of regional health authorities one possibility was that their membership might consist wholly, or almost wholly, of representatives of district health authorities.

Miss Catherine Hall, general secretary of the Royal College of Nursing, said that the consultative document appeared to take a somewhat superficial approach to what were more tremendous changes in a service only recently reorganized.

Time given for comment was short and legislation had already been introduced, which could give an impression that the Government's mind was made up. All agreed with the title of the document, *Patients First*, but staff should be seen as close runners-up.

Mr Kenneth Byles, administrator for the West Midlands RHA, criticized the proposals as a simplistic conception of the hospital and health service working harmoniously with the medical staff. That had not been his experience.

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In brief
Views invited on Finniston report

The Department of Education and Science has invited more than fifty educational organizations to comment on the Finniston Committee report on the engineering profession.

The department says it would also welcome comments by April 1 from anyone else with an interest in the educational recommendations in the report.

Actor denies killing wife

The German actor, Gunter Moller, aged 51, who played the Dutch bargee in the BBC television series, *Secret Army*, took a somewhat superficial approach to what were more tremendous changes in a service only recently reorganized.

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AFGHANISTAN

Kabul in 'secret approach to rebels'

From Robert Fisk

Kabul, Jan 14

The day of mourning

officially held today

by Afghanistan's ruling

Democratic Party (PDP)

was not a very successful

affair. Thousands of men

and women were

supposed to throng the

mosques to sign a book

of condolences for those

killed by the "butcher

Amin"—the country's

former dictator Hafizullah Am

But, in the event, only a

few hundred people turned

up at the yellow-painted

Polekhesi Bridge Mosque,

and they were for the

most part well-dressed

party functionaries. Four

young men, who arrived at

this blue mosque in north

Kabul and attempted to

avoid the signing ceremony,

were reminded of their

party duties by a soldier

with a bayonet fixed to his

rifle. They signed the book.

The rest of Kabul maintained

the uneasy tenor of its

normal weekday life. The

bazaars were open as

usual and the streets

were filled with their

sellers with their sweetmeats

and oils continued to

trade beside the ice-covered

Kabul river. In the old city,

a Western television crew

were stoned by a crowd

after being mistaken for

Russians. The PDP does

not seem to put it mildly

to have convinced the

people of the Soviet Union's

fraternal role in the Afghan

revolution.

However, it appears that

the party is already making

approaches to the rebel

tribesmen to explore the

possibilities of a ceasefire

in the rural areas of

Afghanistan. For several

days now, reports have

been reaching Kabul of

secret negotiations between

government and tribal

leaders in the north

Pakistan frontier city of

Peshawar.

These reports have been

given added weight by an

official party statement

issued in Kabul, which

said that the PDP would

be friendly to negotiations

with all persons, with

national democratic

progressives and with

Islamic circles and

organizations, in concert

with the party charter and

Government policy

statements.

Within this rather sterile

declaration, the phrase

"Islamic circles" is

almost certainly a

reference to the Muslim

rebels, who have

controlled large areas

of Afghanistan for the

past 17 months.

There is no doubt that

these approaches have

received the support of

the Soviet Union.

President Carter promises to take any action required for protecting US interests in Asia

From David Cross

Washington, Jan 14

President Carter

has promised that the

United States will

employ "whatever action

is required" to protect

its interests in Asia

after the Soviet

intervention in Afghanistan.

An important ingredient

of this plan is likely to

be enhanced economic

and military aid

totaling about \$400m

(\$180m) over a two-year

period for Pakistan

which now fears

for its security.

Mr Carter's promise

came during an address

to a White House

conference on small

business last night. Deviating

from his text, which dealt

mainly with the problems

of small businessmen, the

President said that during

the past two months, he

has shown America will

not give in to the

terrorism of international

intimidation, whatever its

form or wherever it occurs.

His remarks were greeted

by enthusiastic applause

from the 2,000 or so

delegates. Mr Carter

also promised that the

United States would

continue to apply trade

pressures on the Soviet

Union. "Even under the

best of circumstances,

normal trade will not

be resumed soon with

the Soviet Union."

Administration officials

have disclosed that during

talks in Washington

over the weekend with

Mr Agha Shabi, the Paki-

stani Foreign Minister,

Mr Carter and Mr Cyrus

Vance, the Secretary of

State, offered economic

and military assistance

totaling \$200m this year

and \$200m next year in

addition to the limited

aid Pakistan already

receives.

The financial assistance

in the form of credits

and loans would be

divided equally for

economic and military

purchases. Arms

purchases would be

limited to defensive

systems, such as anti-

aircraft and anti-tank

weapons, as well as

infantry and artillery

equipment to bolster

Pakistan's defences

against the Soviet

Union. The Administration

has reportedly ruled

out the supply of

such items as advanced

fighter aircraft because

of the threat this could

pose to India.

A State Department

spokesman said today

that a final decision

would await further

discussions with the

Pakistan authorities.

The State Department

has again increased its

estimate of the number

of Soviet troops operating

in Afghanistan. A

spokesman said today

that there were at

least 30,000 military

personnel in the country

and that nearly all the

forces which had been

on the border seemed

to have entered Afghanistan.

Reports reaching

Washington also

indicated that Soviet

forces were active in

the north-east of

Afghanistan and that

more Soviet ground

forces had been sent

to that area. There

were still reports of

sporadic clashes

between Soviet and

Afghan forces as well

as reports of civil

disorder in various

cities including Kabul,

Herat, Kandahar and

Jalalabad, the

spokesman said.

The Stens cost about

3,000 rupees each and

the Lee Enfields 2,000

rupees. Bullets, all

made by hand, are

proportionately more

expensive. Traders

with baskets full of

brass and copper

cartridge cases squat

at the door of their

workshops packing in

the gunpowder. They

cost anything between

12 and 30 rupees each

depending on quality

or calibre. One trader

said he had bought

30 sales a day each,

which would mean

that something like

6,000 guns were being

sold every day. This

figure does seem

exaggerated but there

can be no doubt that

the insurgency is

growing every day.

The markings on the

guns say they are

made in the United

States, England or

Spain but their true

origin is in the

incredible workshops

of the border tribesmen.

Electricity arrived in

Dara only 12 years

ago, but since then

a wide range of

lathes for turning

barrels and bolts

has been brought in.

Given a model to

copy, the workers

are capable of

turning out any

gun on request. Over

the past year, their

repertoire has been

widened by the

Soviet weapons

brought in from

Afghanistan. Among

them are anti-tank

weapons, which

are the main

workshops make at

the rate of one

a week at a selling

price of 30,000

Pakistani rupees

(\$1,350).

OVERSEAS

Iran decides to expel American journalists

Tehran, Jan 14

Iran's Revolutionary

Council ordered

today that all

American journalists

should leave Iran

by the end of the

month. The order

was a direct

challenge to the

British and West

German correspondents.

Mr Ali Akbar Moinefar,

the Oil Minister,

said on leaving a

meeting of the

council: "All

American journalists

will be expelled

from Iran very

soon because of

malicious news."

A motion before the

council was for the

immediate

expulsion of all

United States,

British and West

German

journalists.

Informed sources

said it was

understood that the

United States

journalists would

have to leave the

country within

two days. Mr

Moinefar said

journalists from

Britain and West

Germany would

receive a letter

warning about

their future

coverage of

events in Iran.

An official

Revolutionary

Council statement

said: "In

view of the

continuing

propaganda of the

United States

and some other

countries and

the biased role

played by some

of the foreign

news agencies

and news agencies,

and in view of

the fact that

this group

distorts the

news about Iran

and insults

the Islamic

revolution, the

Government

does not deem

it necessary

to put up with

this kind of

foreign

journalism."

Therefore, the

Revolutionary

Council and the

Government

OVERSEAS

Mrs Gandhi's Cabinet list excludes her son and ex-ministers identified with emergency rule

From Richard Wigg
Delhi, Jan 14

Mrs Indira Gandhi was sworn in by President Sanjiva Reddy here today as Prime Minister. She heads a 22-member Cabinet which clearly rewards personal loyalty to her and includes some younger ministers identifiable as friends of her son, Mr Sanjay Gandhi.

He is not included, nor are any of the names known figures closely identified with the emergency rule like Mr Bansi Lal, Mrs Gandhi's former Defence Minister.

Above all, it is a Cabinet of little known provincial politicians, thus emphasising the dominance of the 62-year-old stateswoman who has recovered the chief executive power in India less than three years after resigning following her defeat in the March, 1977, general election.

The Bombay stock exchange today greeted the new Cabinet with a general rise in shares. Businessmen evidently anticipated that Mrs Gandhi would mean a period of stability.

The Prime Minister, making her first national broadcast since taking office tonight, emphasised that her only goal was to build up "a strong self-reliant and independent India". A democratic election gave her a chance to make a new beginning. "Our country needs a healing touch," she said.

In her broadcast Mrs Gandhi said she was assuming office in the wake of a severe drought, acute shortages and 18 months of strained industrial relations. Reuter reports from Delhi: "The overall picture of the economy, gathered from officials, is far worse than even I had expected. Indeed, it is shocking," she said.

Mrs Gandhi attacked her opponents for 33 months of "non-concern and non-governance," and said the Janata Party Government had "sowed the seeds of bitterness, confrontation, division and destabilisation." She said her Government's commitment to democracy, socialism and secularism was a matter of faith. Malice and politics of hate were self-destructive and alien to the immediate task ahead.

This is only the first stage of Cabinet building. There is still no Defence Minister, Industry Minister or Labour Minister, but whatever the subsequent appointments they are most unlikely to alter the Prime Minister's supreme power.

India's new External Affairs Minister is to be Mr P. V. Narasimha Rao. His appointment comes at a moment when Mrs Gandhi has already decided to adopt a pro-Soviet line on Afghanistan. He is a 58-year-old farmer and lawyer turned politician from Andhra Pradesh, the south Indian Congress stronghold, of which he was Chief Minister from 1971-73. Mr Rao was subsequently made one of the general secretaries of the then united Congress Party in Delhi, a post he held throughout the emergency period.

The first hint that Mrs Gandhi was choosing the loyal Mr Rao unexpectedly for External Affairs came when he was deputed to give the Ministry word of Mrs Gandhi's switch of emphasis on Afghanistan from the policy of the outgoing government on Friday. Previously he had been widely tipped as her choice for Home Minister, if he did not keep the portfolio for himself.

Mr Zail Singh is Mrs Gandhi's choice instead as Home Minister. He was Chief Minister of the Punjab from 1972 until March 1977 and his conduct during the emergency was the subject of an inquiry ordered by the Janata Government which still has not been wound up. Noted for his loyalty to Mrs Gandhi, he is also a close friend of Mr Sanjay Gandhi. On taking office today he promised he would make India "a place where every Indian is secure."

To tackle India's grave economic problems, Mrs Gandhi has chosen Mr R. Venkataramiah who takes finance. He is known as a pragmatist on economic questions.

Apart from the Home Minister, the two new ministers known as friends of Mr Sanjay Gandhi are Mr Abul Ghani Chaudhury, who gets the post of Irrigation and Energy and Mr P. K. Mukherjee, who gets Commerce. Mr Chaudhury is an important and influential appointment in view of India's woefully inadequate energy position. The power cuts which hit industry and consumers during the hot summer and the drought are still continuing as a cold spell in northern India is causing overloading. Both men are Bengalis and Mr Mukherjee has been especially prominent in West Bengal as leader of the Congress opposition to the Marxist state government.

Mrs Gandhi has chosen Mr B. N. Singh as Minister of Parliamentary Affairs. She used him as an emissary both to Mr Jagjivan Ram, the defeated Janata leader, and earlier to Mr Charan Singh, the former cabinet Minister, for her behind the scenes talks.

Mrs Gandhi's office indicated today that she will keep the unfilled portfolios, headed by Defence, for herself at present.

Both Mrs Gandhi's sons, Mr Rajiv Gandhi and Mr Sanjay Gandhi, attended with their wives today's swearing-in ceremony at the President's palace.

Members of the new Cabinet are:

Prime Minister: Indira Gandhi.
Finance: R. Venkataramiah.
Home Affairs: Zail Singh.
Agriculture: Rao Bihendra Singh.
Education: B. Shankaranand.
External Affairs: P. V. Narasimha Rao.
Energy and Irrigation: A. B. A. Chaudhury.
Railways: Kamalapati Tripathi.
Information and Broadcasting: V. P. Singh.
Justice: P. N. Bhagwati.
Shipping and Transport: A. P. Jaisankar.
Social Welfare and Pensions: P. C. Sethi.
Tourism and Civil Aviation: K. K. Kar.

Chief Justice quits post in Pakistan Kashmir

From Hasan Akhtar
Islamabad, Jan 14

Mr Mohammad Yusuf Saraf, Chief Justice of the High Court in the Pakistan part of Kashmir, has resigned in protest against an inquiry into his conduct ordered by the President of the Azad Kashmir Government.

About two dozen accusations against Mr Saraf were made in a charge sheet served on him by the Supreme Judicial Council which oversees the conduct and behaviour of superior judges. One accuses him of personal bias for Mr Zulfiqar Ali Bhutto, the former Prime Minister, who he considered to have been wrongly convicted.

In his rejoinder to the Supreme Judicial Council, Saraf expressed lack of confidence in Mr Justice Chaudhri Rahim Dad, the president of the council, who is also Chief Justice of the Azad Kashmir Supreme Court and in the other two members of the council.

Mr Saraf, who is 57, and a lawyer from the Kashmir valley, is the author of *Kashmir's Fight for Freedom*. He was appointed Chief Justice of the High Court in May 1975. In one of his recent decisions he quashed proceedings under martial law in Azad Kashmir.

Begum Nurat Bhutto, the widow of the late Prime Minister and Miss Benazir Bhutto, her daughter, have challenged in the Sindh High Court in Karachi their new detention order issued by the martial law administrator of Sukkur. The original detention period of three months had expired a few days ago and they had applied for their release.

The division bench of the Sindh High Court today allowed two more days to their counsel to submit an amended petition in view of the extension of the detention order. The court will resume hearing on Wednesday.

The Pakistan Federal Union of Journalists and the Pakistan Newspaper Employees' Confederation have passed a resolution claiming that hundreds of newspaper workers had lost their jobs because of the closure of about half a dozen newspapers and periodicals in Pakistan under executive orders.

The two organisations urged the Government to allow the publications to reappear. They include the Karachi and Lahore editions of the Urdu newspaper, *Musawat*, owned by the Bhutto family.

At a joint meeting in Lahore earlier this week the two organisations expressed concern over the relations between the press and the government and accused government policy of creating a serious crisis in the newspaper industry.

The meeting also criticized the press censorship and a recent amendment in the law of defamation which makes it an offence to publish any allegations against anyone, even if the information is true and in the public interest.

The meeting also demanded the release of Mr Salam Ali, staff correspondent of the Hongkong-based weekly publication *Far Eastern Economic Review*. A sub-committee has been set up to try to open talks with the government.

Amnesty plea on sales to tyrants

By David Watts

A new attempt to persuade the Government to control the overseas sales of equipment used in repression by undemocratic governments was launched yesterday with a letter to Mrs Thatcher, the Prime Minister, from Amnesty International.

The appeal, by Mr Jacques Berthoud, chairman of the British section of Amnesty, comes after a previous unsuccessful attempt by the organisation to get the Government to review its policy. At present British companies are free to sell anything they wish to the most inhumane governments provided the sales do not conflict with what the Government sees as British security or political interests.

Robbers beaten to death

Rio de Janeiro, Jan 14.—A mob of 300 chased two robbers for nearly a mile and kicked, beat and stoned them to death. Two young men were also "robbed a bar conductor" of about £5 and fled, pursued by a growing crowd armed with metal bars, stones and sticks.

Andre Kostelanetz dies

New York, Jan 14.—Andre Kostelanetz, one of the world's leading conductors and the man credited with pioneering the art of recording classical music, died last night aged 78 while on holiday in Haiti.

Motorway opens near shrine despite protests

Warsaw, Jan 14.—A four-lane motorway beneath the ramparts of Poland's most revered Roman Catholic shrine has been opened to traffic despite vehement church protests.

A church official in the southern city of Czestochowa said today that the motorway cut across meadows about 500 yards from the monastery of Jesus Cora, where the Pope preached to a million and a half people during his visit to Poland last June.

The municipal authorities in Czestochowa said the ring road was built to ease congested traffic. But the Polish episcopate said it was designed to hamper access to the shrine of Jasna Gora. One senior cleric described it as retaliation for the Pope's visit to his homeland.—Reuter.

Relief to refugees cut off after attack on lorries

From Neil Kelly
Bangkok, Jan 14

The Thai Army and international aid agencies have cut off food, water and other essential supplies to 300,000 anti-communist Kampuchean refugees near the Thai border.

Supplies were stopped after armed men had tried to seize Red Cross and United Nations Children's Fund lorries which had driven food into Camp Reachou.

Relief organisations and the Thai military began a two-day conference in Bangkok today at which they are discussing the incident and seeking ways of preventing a repetition. Army officers on the border indicated that supplies would not be resumed while armed men remained anywhere near the supply convoys and distribution points.

New exodus: Security authorities in Hong Kong, Malaysia, Singapore, India and the Philippines are intensifying surveillance in expectation of a renewed outflow of refugees from Vietnam (Richard Hughes). At least 12 ships of doubtful seaworthiness are suspected in South-East Asian states of being operated by Vietnamese syndicates with official or unofficial connexions.

The latest reported "rogue ship" is undergoing repairs in Brunei, where the authorities have been asked to report its departure immediately to Hong Kong. Several of the "rogue ships" have been anchored in Vietnamese ports since the international conference in Geneva last July when Hanoi pledged to stem the flow of immigrants. This pledge, it is now feared, will be revoked.

Move to end Saudi missionary dominance

From Our Correspondent
Kuala Lumpur, Jan 14

The four-day conference on Muslim missionary movements in South-East Asia and the Pacific ended today with a move to break away from the dominant role played by Saudi Arabia in proselytising the faith in this part of the world.

Organized by the Malaysian Muslim Missionary Society (or Perkim) to use its local delegates, the conference brought together more than 200 delegates from 17 countries to discuss common problems they share in spreading the Islamic faith.

The chairman of Perkim, Tunku Abdul Rahman, in his opening speech last Friday, called for setting up regional coordinating bodies to help make the *dakwah* groups more efficient. He suggested that Kuala Lumpur ought to be the headquarters for the South-East Asian and Pacific region.

The move was resisted by the Saudi Arabian-based Rabbith al-Islam al-Islam (World Muslim League), but the conference ended with a working committee set up to look into the details of setting up such a body.

One underlying fact to emerge from the conference

was that the delegates felt the Middle Eastern countries generally did not understand the situation in those countries where Islam is at best a strong minority (only Indonesia in this region can be considered a country where substantially more than 30 per cent of the population are Muslims).

But despite the feeling that they ought to go it alone in setting up a regional *dakwah* coordinating body, the general feeling appeared to be that such a body could not stand on its own feet without continued assistance from the Rabbith al-Islam and other similar Middle Eastern Muslim bodies.



Fashion by Prudence Glynn



There is a neat joke abroad in that square mile around Oxford Circus which contains every level of the fashion industry, both as suppliers and retailers. It goes like this:

"There's no business like the fashion business; and there's no business like this."

True, since fashion, always a seasonal industry at best, no longer has pundits to tell Madame or Miss what they ought to be wearing and you cannot spend your life in the disco or the Masonic banquet to find out what your customers want. But if not nice, it is implications. Hopes that drastic reductions on clothes prices in the sales might shift dead stock and release money for new season buying have only partially been realised. Trade is slow but having recently released my reasons for believing this could have been happier months for the subject, this profile to celebrate, in the words of his old school song, "40 Years On" in the trade of fashion.

Most people think of Edward Rayne purely in terms of their feet; Royal warrant holder, and supplier of almost the only British made shoes which are

not likely to cause more walking wounded than the First World War.

They are also likely to imagine this urbane, internationally familiar figure would be at the age of 57 tucked up in one of his pretty shops, contemplating the avoidance of corns or bunions upon the feet of the mighty, who have to stand about a lot and cannot really kick off their shoes. Or, as an astute businessman he might be wondering whether a wet Gold Cup day at Ascot might not be a blessing rather than a curse. On the one hand, the guests somewhat subdued, or frankly dishevelled, on the other, dozens of pairs of pastel glazed kid pumps wrecked by the soggy turf of the Royal enclosure.

Not a bit of it. Forty years on, Edward Rayne has not putted into an elegant, back-water but sailed smack into the eye of the retail storm.

In 1973, with what I have always understood to be very little warning, Genesco, the American conglomerate which owned Bowles, Teller and Henri Bendel, 42 per cent of H. and M. Rayne, and of whose board of governors Mr Rayne was a member sold off its shareholding to Debenhams. Debenhams then bought out the rest of the company and Rayne became a subsidiary of the group. Edward Rayne joined the main board two years ago took over from Eric Crabtree as chairman of the Fashion Multiples Division. He also became chairman of Harvey Nichols and of Lotus shoes. Currently he is in direct control of Harvey Nichols.

In view of the intense press speculation about the future of Harvey Nichols—will it be sold, will it not be sold, to whom will it be sold, will it become a car park/hotel, Marks and Spencers, Chinese take-away, laundry or whatever—which has surely reached even those readers not acclimatised to the dizzy prose of City pages, you can see what I mean by the eye of the storm, for Harvey Nichols is the very pupil of the fashion side of the group.

More, though, to follow. Debenhams appears to be busily diversifying away from its higher class properties. Harvey Nichols has bought himself out—the deal should be completed next week when the indomitable septuagenarian zooms back from America and before he takes off for Australia.

Crests, the brainchild of Eric Crabtree, is to go as are other bits and pieces all of which must serve to lodge a query in the mind about the future of the Rayne shops themselves. What an irony for Mr Rayne to be a

party to the fate of his own cherished family firm. Not very funny to see your patrimony being bounced about like a squash ball.

The firm of H. and M. Rayne was founded in 1890 by Edward's grandparents, Henry and Mary. Henry arriving in Glasgow from Ireland changed his name from Ryan in deference to anti-Irish feeling at that time, and there met his Scots bride. When the business was first established and indeed for many years, it provided shoes for the stage, encompassing, if I have got it right, both the Diaghilev Ballet and Lady Diana Manners (now Cooper) in *The Mirror*. It is hardly surprising that the third generation of the Rayne family, in the shape of young Ed who had gone into a family firm on January 20, 1940, at the age of 17, was stage struck.

The theatrical connexion was to prove not only rewarding but highly practical because during the war the only shoes available without coupons were those designed to be worn by the trenchcoats and chaplains who were keeping up British morale all over the place. In those liberated days when a theatre programme could proudly proclaim "Cigarettes by Abdullah" the shoes were sure to be by Rayne, who also scored one of the earliest movie credits.

Edward Rayne succeeded his formidable father, Joseph, as head of the company in 1951. He had already recognised the importance of the "international acceptance of our product. You have to think in global terms in fashion". He had been to America to regain connexion with Delman, and in France he formed ties with the equally distinguished shoe houses of Perugia and Roger Vivier. The British shoe trade is amongst the least style conscious in the world and was even worse then, but Edward boldly immersed himself in the war-battered world of our course and as a result made lifelong friends of the late Sir Norman Hartnell and of Hardy Amies.

It is important to remember the contribution made by that generation of our designers, now mostly dead or relegated by critics to the ranks of the hopelessly, sub-Paris talent.

Edward Rayne himself had been exempt from war service because at the age of 16 he had catarrhs in both eyes which prevented him from reading "but I could see cards. I spent my time playing bridge". To some effect. He represented Great Britain in the European Championships in 1946 and 47 and is still a demon hand.

Top right: Not surprisingly in view of the jumpiness of the fashion market and ever so slight a touch of ennui among customers for the light and fantastic, the best sellers in the Sales were the great classic names—Burberry, Jaeger—so now seems a good moment to re-introduce designers who provide what I would describe as Fall-Safe Fashion. It is beautifully made, thoroughly up to date, and yet classless because it has such an individual look that it is recognised into the classic status immediately. This dress, in sea-green pure silk crepe de Chine is by Victor Edelstein, one of our new generation of ready-to-wear couturiers. Victor cuts lovingly and cleverly. The skirt just enough to show what you want, nothing more, no grand dress ever has to be put on over your head (impossible: customers in the category do their hair and face before the frock is donned) everything is step-in and has the most subtle arrangement of fastenings—invisible, mostly—I have seen. This particular dress will be in the shops at the end of next month at around £198, but there are lovely Edelstein clothes at Harrods now. Out of town, Joan Pontin, 160 Broad Street, Birmingham.

Top left: Another long-term stayer, Pauline Wynn-Jones, who I first wrote about when she was at Liverpool Polytechnic. Beautiful quality fabrics, immensely precise detailing, and a lovely combination of tailored and fluid lines. An outfit in pure wool crepe, china blue or navy. Shirt in embroidered silk gauze. This coat and skirt and blouse is available from Harrods International Room at around £304 or H. Jorgensen, 18 Sloane St SW3 or Dublin. Sling back shoes by Charles Jourdan £29.50.

Photographs by Richard Dorrer

Hartnell, Amies, now with his own house, Michael, Ronald Paterson, John Cavanagh et al. suitable of got together to form the Incorporated Society of Fashion Designers. Spearheading the putative revival of our couture industry they assumed gamely over to New York on the QE1 and made spirited efforts to lure foreign buyers over here. Eddie Rayne went too, or rather he did not just go, he actively parodied, as they would say across the Atlantic. By 1957 he was chairman of the associated members of the INCOSOC and in 1960 became chairman of the society itself.

Since then his contribution to and support of British fashion has been remarkable. Consistent, sympathetic, diligent as an advisor, a shrewd observer and constructive critic, with just that global knowledge so scarce in the fashion retailing industry here. He serves on more committees than I care to count and had a leading hand in the highly successful Au Printemps promotion of British goods in France recently.

Even for an innumerate optimist such as myself, it would be rash to wish Mr Rayne a further happy 40 years on, so perhaps I should just look in my notebook and see what I want his help about next. I know that I shall get it.

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مكتبة الأصيل

President Carter's action over Afghanistan is not without its problems

Has putting Salt on the shelf done anyone any good?

One of the first measures President Carter took to protest at the Soviet invasion of Afghanistan was to ask Congress to postpone consideration of the Salt Treaty. The move was as much to deny the President's domestic opponents the pleasure of killing the treaty than any real reassessment of strategic arms limitation and defence in general, still officially described as being in America's "national security interests".

Before the current crisis headquarters in the Senate had come to doubt that the necessary two-thirds majority for treaty ratification could be found. A number of key Senators had already urged delay, aware that in an election year this meant shelving the matter until 1981. New military programmes and the sense of disillusion surrounding the whole exercise may well make it difficult to resume serious arms control negotiations for some time.

The delay in this manner is held to be a serious setback for the Soviet Union, adding to the case of the Afghanistan adventure. The prestige of President Brezhnev is very much associated with Salt; the treaty is one often assumed to work to the Soviet advantage; in an unrestrained arms race, competition with American technological prowess would severely stretch Soviet capabilities at a time when the economy is in serious difficulties.

However Salt was becoming a diminishing asset for the Soviet Union. It made many concessions to the negotiations and would have been required by the treaty's provision to adjust its force structure far more than the United States. The Americans have said that they will continue to abide by the treaty's provisions, but the only real effect here will be in testing the new MX missile—otherwise it will barely notice the difference.

The Soviet Union on the other hand would be expected to remove a number of existing weapons. It became apparent during 1979 that in order to appease Congressional opponents the United States Administration was going to raise the defence budget and move forward with new programmes (such as the MX missile) that the Russians might have hoped to contain in subsequent negotiations. Salt began to look less attractive.

The low point came with NATO's decision to go ahead with the modernization of its long-range theatre nuclear forces last month, allowing for a substantial increase in the number of American missiles which could hit Soviet territory and delivering a rebuff to Brezhnev in the process. Most important of all, despite all the concessions to the hard-liners,

the treaty was still stuck in the Senate with little prospect of an early and satisfactory vote.

For all these reasons it is probable that the Soviet leadership had virtually written off Salt prior to the Afghanistan invasion.

In the West it was once believed that the promise of Salt would be sufficient to moderate Soviet foreign policy. The value placed on Salt in the Kremlin offered an opportunity to link progress in the negotiations with good behaviour in the rest of the world. There were always limits to this linkage because the United States had its own arms control objectives to pursue within Salt. It did work in a negative fashion: the various Soviet interventions in the Third World undoubtedly soured the negotiating atmosphere and the political support for détente in the West.

The Russians had probably written off Salt before

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While Salt may have soured the negotiating atmosphere and the political support for détente in the West, it is not

without problems. With all other arms control negotiations hopelessly bogged down there appears to be no credible alternative to sustained arms competition as an essential means for reviving super-power détente. It will now be difficult to satisfy those in NATO who only supported the December decision to modernize theatre nuclear forces by the inclusion of an offer to negotiate on the matter with the Soviet Union. Not only is the obvious negotiating forum now unavailable, but also the Russians have publicly rejected their disengagement with the Salt process.

It is nevertheless important to recognize that the decline of Salt, and arms control in general, began long before the current crisis. Its achievements have offered a slight return for a massive and often acrimonious negotiating effort. The question must be asked whether arms control as it has been understood and practised over the past decade can any longer serve a useful purpose, and it must be answered before Salt is taken down from the shelf where it has just been put.

Lawrence Freedman
The author is Head of Policy Studies at the Royal Institute of International Affairs.

Marcel Berlins continues his series on China's legal revolution

Justice seen to be done in the people's court

The accused was 23, worked in a candy sugar-coffee factory, and had tried to kill his girl friend with a kitchen chopper. Nearly 2,000 people crammed the auditorium of the Workers' Cultural Club of the Nan-shi district of Shanghai for his trial. It was an all-ticket affair.

The case had aroused such local interest that, in keeping with the government's policy of educating the masses about the law, it had been decided to hold the trial at a venue with a larger audience capacity than an ordinary courtroom.

The trial was among the first to be held under the provisions of China's new codes of criminal law and criminal procedure, and many of the spectators had come equipped with a little book containing the new laws.

There was no doubt about the facts, and the accused had confessed to the attack, although it was not until shortly before the trial that he had admitted an intention to kill, having previously insisted that he merely wanted to frighten the girl.

Sitting at a plain table at centre stage were the judge of the Nan-shi Municipal People's Court and two "people's assessors", one of them appointed for the case because he worked at the same factory as the accused and his girl friend.

The other, a woman, had no link with the case but had occasionally served as an assessor before.

On one side of the stage sat the procurator—public prosecutor—and his trainee assistant; on the opposite side, the defence advocate, an experienced lawyer (pre-Cultural Revolution) who had been appointed by the court a few days before the trial. The accused and witnesses occupied the front of the stage.

The form of the proceedings followed a pattern familiar to most continental systems. The accused gave his version of the



quarrel leading up his his attack on the girl (chopping off one of her fingers as she cried to protect her head). The girl then gave evidence, followed by three witnesses who had rushed in to try to save her. Their evidence was that after failing to chop her to death the accused had tried to strangle her—an important point on the issue of his intention to kill. Both the accused and his advocate were given the opportunity to ask questions of the witnesses.

In fact, as we learnt later, the whole truth about the case did not come out. Among the categories of cases—or parts of cases—not heard in public are those involving "personal secrets", which, in effect, means cases with a sexual content. The girl had apparently allowed sexual favours to others, but this did not come out at the hearing. The audience was left with the impression that the quarrel leading to the attack was about the girl's refusal to go to the cinema with the accused.

At the end of the evidence the prosecutor spoke in the style of prosecutors all over the world, without, however, recommending a particular penalty. The defence advocate would not have been out of place at the Old Bailey. Fortright and robust, he minimized the seriousness of the crime, contested the admissibility of evidence about the accused's previous bad behaviour, stressed

the provocation to which the accused had been subjected, and suggested that part of the trouble was that both parties were too young and immature to form "correct attitudes to their relationship".

This led him into a speech praising the virtues of late marriage—the topic of a national campaign—which drew an approbatory murmur from the audience.

A straw poll taken among spectators during the ten-minute retirement of the judge and assessors showed popular feeling in favour of a sentence of seven or eight years' imprisonment. The court's verdict was 10 years, and the accused was told of his right to appeal. The proceedings had taken two hours.

It is, of course, impossible to assess whether the trial was typical, and it is too soon to make a judgment about the efficacy of the new criminal law and procedure codes. On paper, they provide an accused with all the safeguards that an inquisitorial system of criminal justice can offer. The interrogation process is strictly controlled, the use of any form of violence on a suspect prohibited, there is scope for reviews and appeals at various stages, special protection is

given to juveniles, and "all citizens are equal in the application of the law. No privilege whatsoever is permissible before the law".

At the same time, the law still remains subject to the overriding political ideology of the state, which includes conformity to the will of the masses. The criminal law code states as one of its main principles the use of "punishment to combat all counter-revolutionary crimes". The possible elasticity of the term "counter-revolutionary" hardly needs to be stressed, although a number of high officials made it clear to us that mere criticism, even in strong terms, would not amount to illegal activity.

As for non-political crimes, it is clear that the incidence of juvenile delinquency, especially in the big cities, is worrying the authorities. Much of the blame is being placed on parents who, incorrectly guided by the principles of the Cultural Revolution, have failed to bring up their children properly, "either beating them or pampering them too much".

Penal policy in China stresses the reeducation of criminals as much as their punishment. There are regular discussions in the prisons on ideology, and a copy of the People's Daily is

in every cell. A prisoner can earn remission of his sentence by hard work at the task assigned to him—many prison have factories—and by showing that he has undergone a genuine reformation.

China still retains the death penalty, and judging from public notices in the major cities, executions are not infrequent. There is, however, provision for a two-year postponement of the punishment to allow the offender a chance to show his genuine change of heart.

There is at present some uncertainty and controversy about the use of the death penalty. Recently, an execution was shown on television. When questioned on this, a judge in Peking, showing some embarrassment, suggested that the public viewing had been a mistake. A few days later a judge in Shanghai told us that the publicity had been "inspiring".

But even that judge stressed that the policy was to educate, not to frighten, people into respect for the law. There is, at a high level of government, an abolitionist faction, and it is significant that it has already been stated by Chairman Hua that the Gang of Four will not be executed, wherever the result of their forthcoming trial.

To be continued

Bernard Levin gets hooked on the Thirties

Putting on the style



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A LNER poster in 1935: not only the prices have changed.

How lamentably we have regressed

Of course, for anyone my age or over there is an extra layer of joy in the flood of memories the show brought back. But I think it is possible to distinguish between the two sorts of pleasure it gave, and powerful evidence that I am right was provided, on the day I went, by the enormous number of visitors present who were visibly and audibly rapt at what they saw, though many of them were not more than half my age and some hardly a third of it.

They could never have seen anything like the well-clock by Ambrose Heal or the corner clock by Eric Gill, the ball table by Oliver Hill, (itself capable of filling with tears the eyes of any man who was alive, even if only in his cradle, when Britain went off the Gold Stick, the almost candle-sticks by C. W. Gilbert, the book-bindings of the Sydney Cockerell and the printing of the Gregynog Press, the dressing-table by Betty Joel, the radio by Wells Coates (both of whom people who went to go and lie down until the pain and the pleasure had alike worn off), the Shell advertising campaigns, the three even stripes of the early Penguin covers, the posters by McKnight Kauff (an excellent study of his work by Mark Fildes, Booth, has recently appeared), Barnett Freedman and Frank Newbould, the news-photos of James Jarché, the prints of Marion Dora. Yet the young people who thronged around me, amid the gaiety and effectiveness and simplicity of it all, were clearly having as

one of Mosley's Blackbirds' black shirts, but the remembrance was restated; this exhibition was planned and put together to show us what the thirties looked like, not how they behaved or even thought, and it did that in a year and comprehensive sweep (there were some 1,200 items on view), to the most conclusive perfection. (Incidentally, since such details are too rarely given in reviews of exhibitions, I would like to command by name those responsible. The show was the joint work of the Arts Council and the V & A; the chairman of the exhibition committee was William Feaver and of the V & A committee Carol Hogben; the director of the museum is, of course, Dr Roy Strong, and the Director of Art for the Arts Council is, equally of course, Miss Joanna Drew; the sumptuous and wonderfully informative catalogue was edited by Jennifer Hawkins and Martin Horne, and designed by Philip Miller and Peter Nutter, of Thumb Design.)

Of all modern eras, the thirties is the one which has vanished most completely; ironically, it has disappeared even more thoroughly than the Golden Age just before the world came to an end in 1914. All those fresh starts in 1945 (to say nothing of the couple of score fresh starts since) have obliterated the memory of the days before what used to be a New Deal proved in practice to be only a Busted Flush. Even for those who, like me, had the face of the thirties etched deeply on the metal of memory, must have found this exhibition a parade of wreaths, gone for ever despite the most melodious twang they left behind. Yet before night fell, the evening sun was bright, and I am glad that this magnificent show did such overdue justice to the appearance of a decade which has been accused of every crime imaginable and was, in fact, most of them, but can now be seen, beyond a reasonable doubt, to have been not guilty of the sin of bad design, and leaves the court, in this respect at least, without a stain on its character.

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Unleashing the feedback from the East

Being a rudimentary technological relic from way back BC (Before the Chip), sound radio has come to be something of a Cinderella among the brasher uppy sisters of video recording, Ceefax, Oracle and the Daily Star. But in its relative technical simplicity lies its great strength, enabling it to pole-vault over frontiers firmly closed to television and the printed word.

The heartstopping poker game being played by the three superpowers at the table of world politics has had its unexpected side-effects, not least upon the Chinese service of the BBC.

Bush House has been beaming Mandarin and Cantonese to mainland China since 1941, but during the reign of the Gang of Four the BBC had almost no way of discovering how many people were listening, or how the output was being received. In 1978, for example, a total of only 17 listeners' letters found their way back to the Overseas Service headquarters in the Aldwych.

Then, with the change of political climate, and Peking's blossoming courtship with the West, audience reaction blossomed too, and last year the BBC received no fewer than 17,000 letters from mainland Chinese listeners, many of them praising the service as a vehicle for learning English, and asking for copies of a complementary textbook.

Quite unsurprisingly, at least by the BBC, correspondents sent in over 1,000 suggestions for a cover design for an English By Radio booklet.

The artist, who ironically lives in Changsha, the provincial capital of Hunan where Mao attended university, appended the following dedication to the BBC Overseas Service:

"Words are like a ribbon of friendship. You are as beautiful as the phoenix. Let our friendship be like the Great Wall. Strong and unbreakable a thousand autumns, ten thousand generations."

Fine sentiments, and ones which the 20 staff of the Chinese service hope will permeate to the upper echelons of Whitehall, whence has come the order to cut £2.7m from the Bush House annual budget.



Travel agents' hyperbole spotted last week in a Piccadilly airline office.

In spite of the financial squeeze, Bush House has every intention of sustaining its 11 hours of daily Chinese transmissions.

But they observe ruefully that even Albania manages three hours of daily transmission to China, six hours to North Korea, eight hours to the United States, and 27 hours to the Soviet Union. Last year the Soviets registered 43 new transmitters, and it is as the BBC's overseas transmitter replacement and improvement programme that the bulk of the cuts will fall.

Still, the English By Radio booklet with its handsome cover should cement Anglo-

Chinese friendships. Lesson 88: "I can't find my wife." Lesson 106: "I'll give you an injection."

Voice from the Vatican garden

Another broadcaster whose fan mail has increased by leaps and bounds is Father Roberto Tucci, who would be the first to admit that his name is hardly a household word in the Jimmy Young class, at least not in this country.

Tucci, who has been on a private visit to London, is director-general of the unashamedly propagandist Vatican Radio, established in 1931

to allow Popes to make occasional addresses to the world, and launched by the voice of Signor Marconi himself, who set up the transmitter in the Vatican gardens and made the first broadcast.

Vatican Radio broadcasts daily in 32 languages, including Lithuanian and Esperanto, almost as many as the BBC, but its weekly output of 250 hours on two wavelengths falls well short of the 700 hours generated by Bush House.

Last year we, too, began to receive letters from listeners in China, for the first time in many years", Tucci said. "They were from old Christians, people whose families had been Christians, both Catholic and Protestant, and those who were simply interested in the Church and in learning English".

Vatican Radio's main purpose, said Tucci, was to maintain a lifeline with practising Christians in those countries where the church was in difficulties, and where Christians were isolated from the rest of the church. One of its most popular languages is Lithuanian, where the Catholic tradition is still strong and where the radio claims a regular audience of one-third of the total population.

The station's main output, from a powerful new 500-kilowatt transmitter on the outskirts of Rome, is a solidly spiritual diet of religious news and discussion, interspersed with music. Its finest hour was undoubtedly last year, when during the Pope's visit to Mexico it broadcast 45 hours of live reportage on his every step and utterance.

Short story avalanche

It is not only the Chinese who are writing to the wireless in their thousands. Our own civilised domestic animal, Radio Three, has been inundated with entries for its short story contest, in spite of the barest minimum of publicity.

Piers Plowright, the BBC man in charge of the competition, tells me that he has been buried under an avalanche of no fewer than 7,500 literary works, ranging in quality from pearls to dross. Every single entry, he assured me, had been read, and at this moment the four judges—William Trevor, Beryl Bainbridge, Eva Figes and Robert Nye—are re-reading a final selection of 35 stories, each.



tended to stick to short stories by established writers; we need to find some new ones."

The winner, whose name and work will be broadcast on February 1, will receive a prize of £1,000, a dizzy greater sum than the hard-pressed BBC normally pays for original stories or scripts. There is also a plan for a BBC book of the best entries, if the standard is sufficiently high. A welcome move; the outlets for short stories are sadly few these days.

The last time I occupied this basement squat I asked you to tell me the origin of the tight-house outside King's Cross station. So far I have had only one reply—from the Elder Brethren of Trinity House insisting it is not one of theirs. Is there nobody out there who knows what it is?

I am always glad to hear reports of this newspaper being shown the respect it deserves. A reader recently went to the news kiosk of an Oxford Street store, bought The Times, and had it wrapped in a paper bag at the insistence of the cashier.

Alan Hamilton

مكازم النجف



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TIME FOR A PURGE

In one way or another it is likely that all the information possessed by the Labour Party on infiltration by the Militant Tendency will soon be made public—in addition to that disclosed on another page today. Either the National Executive Committee will next week reject the recommendation of its organization sub-committee not to publish the evidence on which Lord Underhill, the party's former national agent, based his report on entrapment, as it is termed, by Trotskyist organizations. Or Lord Underhill himself is expected to release the information. This will be good for the health of British politics and for the Labour Party itself.

The Militant Tendency is a movement built around the paper, *Militant*, with its own full-time staff and its own organization at local level. This conflicts with the stipulation in the Labour Party constitution that people are not eligible for membership if they also belong to political organizations "having their own programme, principles and policy for distinctive and separate branches in the constituencies". But for some years now the NEC has failed to implement this rule. In 1973 it decided to scrap the list of proscribed organizations which it had previously maintained. Its annual report for that year piously insisted that "the ending of the proscribed list does not represent any change in policy"; yet it refused to act on the report that Lord Underhill presented in 1975 and it has declined to publish the background evidence that he subsequently made available.

The best interpretation to put upon the NEC's attitude is that the majority of its members wish

to avoid a witch-hunt within the party, especially in circumstances where it may be difficult to determine who belongs to the infiltration organization. The Militant Tendency is a clandestine and, to outsiders, a somewhat nebulous movement. The other interpretation is that the NEC majority does not wish to act against left-wing fringe groups for which it may feel a general sympathy even where there is no identity of view. In other words, the NEC has been either naïve or culpable because it has failed to protect the Labour Party against a movement which has already done much damage and threatens to do much more.

Any left-wing party is bound to have eccentric bodies on its fringes. Many of these do little harm and may even provide a useful source of energy and idealism, if not of judgment. But the Militant Tendency, and indeed a number of other extremist groups, cannot be regarded in this light. They are organizing actively to undermine the position of moderate forces within the party on behalf of policies for which there is no evidence of significant support either among the general public at large or even Labour voters; and they are doing this by means which are expressly forbidden in the party constitution.

Already they have a strong hold on the Young Socialists— which is not surprising in itself because the Labour Party has had difficulty with extremists in its youth movement most of the time—and have varying degrees of influence in more than fifty constituency parties. With the Labour Party in such feeble condition at local level it does not require many people to exercise a quite disproportionate in-

fluence; and with the new provision for the automatic reselection of MPs the capacity of a small group of extremists to make trouble has been significantly increased. It has always been the case that if a constituency party was sufficiently determined not to renominate its sitting member at the next election it was able to jettison him. But in the past that was a difficult process and it required at least the tacit approval of the NEC, to whom he had the right of appeal. Now that reselection is to become an automatic procedure—unless the next party conference overturns the decision of the last one—it will be much easier for local malcontents to throw out a sitting member. If they are astute, they will not even need to be in a majority to do so.

The growth of the Militant Tendency is, therefore, linked to the constitutional disputes within the party. The proposals to transfer power from the party in Parliament to the party in the country arouse particular misgivings because of the quite excessive representation of extremists at local level. If a number of moderate MPs are rejected by their constituency parties this will have an effect on others and progressively undermine the confidence of the parliamentary party. One way to counteract the spreading influence of Trotskyist groups is for the NEC to take a more active role in applying the party constitution and to proscribe those organizations which do not conform to the rules. Another way would be to build up the party in the country so that it once again represents the views of Labour voters in general. But to do nothing would be to allow the party to slide towards the position of a minority sect.

Intervention or the free market

From Lord Balogh and Mr Roger Opié

Sir, In their manifesto (January 9) impartially addressed to the leaders of both main parties, as though they expressed established scientific truths, some of our colleagues advocate further cuts in social services and the decentralization of their administration while maintaining the ultra-dear money panacea. They evidently believe that in a shrinking market economy (as this country overwhelmingly is) you can stimulate investment by constraining the capacity of the market to absorb the badly needed restructuring as against the closure of our industries can be carried through.

All historical evidence and common sense condemn this view. Investment is falling and will fall further. Excess capacity prevents the reversal of this trend. On the other hand, corporation tax is in fact becoming a voluntary contribution. Its cut will make no difference to the policies of the private sector. What the policies advocated by our colleagues will encourage is consumption and we have seen in 1953-55, and again on several occasions since, that when consumption is encouraged, imports are the chief beneficiaries. Though they denounce inflation, they are in fact advocating it. It consists of ministerial admissions and unemployment. It was not effective. Inflation accelerated and their faith in its monetary control neglects the elasticity of the banking system which enabled a substantial rise in the velocity of circulation.

The British secular relative decline has little to do with government intervention. It has been continuous since about 1880, when the principles enunciated by our colleagues were totally dominant and the Free Trade frenzy was at its height. The only periods in which our industrial lethargy was overcome were short bursts, initiated by wars and/or protectionist measures such as the McKenna and safeguarding duties and Ottawa.

Yours, etc.
THOMAS BALOGH,
Balliol College,
ROGER OPIÉ,
New College,
Oxford.
January 10.

Changing the shape of ITV

From Mr Terence Price

Sir, The future of television in this country hangs somewhat precariously on all the decisions concerning the new ITV 2 which will be awaited with interest. But well before the fourth channel can be launched, an earlier opportunity for making some changes will present itself, when the new ITV franchises are granted for the new year. I understand that invitations to make proposals will be appearing in the very near future. I also understand that there are a number of indications that the IBA seems likely to favour a pattern which would not differ greatly, in geographical coverage or structure, and for that reason also in content, from what we have today.

The purpose of this letter is to ask whether this is what is needed. It will be at least another three years before ITV 2 can begin operating. Are there any reasons for wanting to include more material in ITV 1 which is educational, or representative of community and minority interests, cutting out some of the trivialities in the process? The Open University has shown what can be done by using the factor of education. There are countless other sources of programme material which are at present unexploited, particularly in our major cities, and not least during the working day, where the infinite variety of life can be used to enrich the offerings. An obvious social benefit could be more widespread understanding of how the country actually works. Furthermore, technical developments in video electronics are steadily opening up new and more exciting ways of using our home television sets, for example for home education at times of our own choosing. The pace of innovation is immense, but this has yet to be reflected in the structure of the present ITV (or, for that matter, the BBC).

The easy course for the IBA would be to argue that such benefits can flow from ITV 2 when it arrives. But why wait? All that is needed is for the invitation for proposals for the new ITV 1 franchise, when they appear in the very near future, to be worded in a way which will not discourage innovation and fresh ideas, even though working them out may need some structural changes and if necessary new faces. If, since we are being asked to forecast what is in the IBA's mind, then the Authority will deserve the thanks of us all, and our congratulations if a new and better ITV pattern results.

Yours faithfully,
TERENCE PRICE,
The Chancery, SW1.
January 14.

London's third airport

From Captain E. F. Thurston

Sir, As a pilot who, for many years, has shared Stansted Airport's two-mile long runway with airlines operating aircraft up to and including 747s, and whose passengers now complete their journey to London via an adjacent three-lane motorway through the Essex countryside, I am permitted to offer a comment following Sir Colin Buchanan's letter (January 9) about "... dumping an airport in Essex?".

Contrary to what Sir Colin says, Stansted is part of the "existing national airports system", and thus the Government are doing precisely what he advocates, i.e. making the best of it.

Yours faithfully,
ERIC THURSTON,
Chairman,
Tunstun Aviation Ltd,
Stansted Airport London,
Stansted,
Essex.
January 10.

Answering the Ulster conundrum

From Mr A. G. Fathers

Sir, It is high time for radical suggestions regarding the Ulster conundrum, but I do not see how the solution offered by Mr and Mrs Firth amounts to more than a rough-minded decision to leave the Northern Irish, Catholic and Protestant, to stew in their own pot.

It may come to that, but the consequence can only be a civil war between 1.3 million Protestants and half a million Catholics, supported fully or half-heartedly by the Republic of Ireland; a prospect to chill the blood.

Granted the intractability of the problem and the futility of current policies, I offer a different, though still radical, solution: a repatriation. Two of the six counties would be reunited with the Republic, the Protestant minority being given the choice of remaining as members of a tolerated minority in the enlarged Republic or moving to a smaller Ulster.

Similarly the Catholic minority in the new Ulster would be given the choice to stay or go, but if they stayed it would be on the understanding that there would be no "power-sharing". Ulster would be an overwhelmingly Protestant country tolerating Catholics in the same way as the Republic is an overwhelmingly Catholic country tolerating Protestants.

Of course, the costs of moving scores of thousands of people would be horrendous, but this could surely be borne by Britain, Ireland and the EEC in the interests of settling the Ulster question for independence or to stay in Great Britain is a secondary question.

What is certain is that it would not opt for unification with the Republic. Nor would the Republic any longer have the excuse, or even any sensible wish, to interfere in Ulster, since it would have gained both an enlarged territory and reunification with those Catholic Ulstermen who agreed to be reunited with it.

Yours faithfully,
A. G. FATHERS,
613 Upper Richmond Road West,
Richmond,
Surrey.

From Mr D. G. Boal

Sir, The letter from your correspondents Mr and Mrs Firth (January 11) illustrates the emergence in Great Britain of a well-intended, but to my mind tendentious assessment of the "Ulster conundrum".

To say that the understanding of the Ulster situation is inadequate, witness merely the description of the province as a "sectarian dependency". This failure to recognize the inevitability and reciprocity of religious discrimination in a community divided by rival ideologies where there, so far from being a constitutional guarantee, exists constitutional instability, hardly augurs well for a mature analysis.

Nevertheless, the argument deserves attention. Its premises are that Northern Ireland is to mainland Britain and would be to

the Irish Republic, an embarrassing liability. The ostensibly palliative solution suggested is independence for the six counties.

Apart from having been shown in the recent *Panorama* poll to be the option least desired by Ulster people, it is highly probable that independence would occasion a drastic upsurge in IRA activity (funded and partaken in by what support they have in the Republic) with, no doubt, retaliatory sectarian violence on a hitherto unexperienced scale.

With regard to industrial investment and the British military presence in Northern Ireland, it seems at the very least inequitable to propose withdrawal in the face of difficulty. The people of Ulster "pay their way" as much as those in any British region, and are therefore as entitled to the resources of defence as are your correspondents, living in Hampstead.

And at a time when the idea of a single European community is gaining currency, it seems politically retrogressive, if not naïve, to imply that the underdeveloped regions of a political unit should not be supported, partly by the more affluent areas.

Of course, my argument presupposes the acceptance of Northern Ireland as part of the United Kingdom, but I would contend that if any regard is to be paid to democratic principles, this constitutional arrangement must be maintained.

What is seen as "British patriation" or "British loyalty" to the Province can be the only right course for a democracy, since the province referred to has consistently and overwhelmingly declared that it is British. This, together with the reality and enormity of IRA violence, not that chimera the threat of massive Protestant violence, forms the basic political fact of life in Ulster.

I do not claim to have the political panacea sought, but I recognize that neither Northern Ireland, the Irish Republic, nor Great Britain can afford to allow violence to overthrow democracy and affect constitutional change.

Yours sincerely,
D. G. BOAL,
Belfast.

From Mr R. G. R. Wall

Sir, Mr Cecil Lewis's plan (January 10) could spring only from a wholly urban mind.

Northern Ireland is a largely agricultural land, with large numbers of predominantly small to medium-sized farms. When and how will Mr Lewis find for their owners "corresponding positions, employment and accommodation" on this side of the Irish Sea unless by dispossessing existing farmers?

His phrase "a certain amount of organisation" masks a different problem. Yours faithfully,
R. G. R. WALL,
201 London Road,
Twickenham,
Middlesex.

Ethnic questions in the 1981 Census

From Mr Malcolm Cross

Sir, Your leading article (January 12) is right in its conclusion. All the while that race persists as an apparent cause of discrimination and a correlate of inequality it is not superfluous for the census to attempt an assessment of the population in terms of race or colour.

It is ethnic origin that is less important because there is little evidence that those who discriminate are aware of the subtleties of linguistic or religious difference. Even a question which enabled us to know whether an individual regarded himself as white or not would be helpful in demonstrating these persistent inequalities.

There is ample evidence on the value of the census for this purpose. It was census data that revealed unemployment rates among black teenagers to be twice the national average. It was census data that were used to show how racial minorities had become concentrated in the most derelict, overcrowded and least secure sectors of inner city housing and how some local authorities had apparently overlooked these areas in planning redevelopment.

It was census data that helped demonstrate that, far from racial minorities making disproportionate demands on social services, the opposite was in fact the case. It was census data that showed how some racial minorities were particularly poorly placed in terms of occupational position and educational achievement.

It is important that confidentiality is assured, but those who wish to omit this question for reasons of expediency or technical difficulty risk a decade where the claims of racial minorities are taken even less seriously than before.

Yours faithfully,
MALCOLM CROSS,
Senior Research Fellow,
Research Unit on Ethnic Relations,
The University of Aston in Birmingham.

From Miss Marian Gerrard

Sir, In your editorial of January 10 you rightly refer to the difficulty

Law on rented property

From Mr Alec Samuels

Sir, The Housing Bill now before Parliament proposes extensive amendments to the Rent Act, 1977. Well and good. Can we have an assurance from Government that before the amendments come into force a clean amended consolidated Rent Act will be passed so that all the law will be in one place? This would be of immense help to tenants, landlords, lawyers, advisers (such as Citizens Advice Bureaux workers), public officials, and many others.

Yours faithfully,
ALEC SAMUELS,
Faculty of Law,
The University,
Southampton,
January 8.

Enormous enormity

From Dr Hugh David

Sir, Students of the English language will have been relieved to learn from your Saturday Review that the television director to whom the Royal Shakespeare Company delegated the boiling down and revision in contemporary sociological terms of the bulk of classical Greek drama was aware of the "enormity" of his task—although he appears to think that this word implies great size rather than, as the *Oxford English Dictionary* asserts, monstrous wickedness.

Yours sincerely,
H. DAVID,
Appartement 160,
15 Avenue Gabrielle d'Estrees,
Le Coudray-Montceaux,
91830 France.

A tower opposite the Tate

From Lord Duncan-Sandys, CH

Sir, The front page report in today's *The Times* tells of the horrific proposal to build a green glass skyscraper, 500 feet high, on the south bank of the Thames. Dwarling Big Ben, it would dominate the heart of London and disastrously disturb the world famous view of the Houses of Parliament.

Until you drew attention to it, few people had heard of this monstrous project. Those who object should quickly make their protests at the public inquiry in Brixton Tooting Hall, which is in its final stages. Alternatively, they should write at once to the Inspector, who is presiding at the inquiry and who will present his recommendations to the minister.

Let all who care speak up, before the face of London is irreparably disfigured.

Yours faithfully,
DUNCAN-SANDYS,
President,
Citizens' Trust,
17 Carlton House Terrace, SW1.

From the Director of the Tate Gallery

Sir, I am afraid your readers will be as surprised as we are by the story (January 14) of a tower block opposite the Tate Gallery being used to house the Turner Bequest. The Trustees have never had the slightest intention of doing any such thing. In any case, we now have, as your readers know, the magnificent offer of money to build a specially appointed Turner Museum on the hospital site, immediately adjacent to the Tate. This would be made in memory of Sir Charles Clore, who was a benefactor to the Tate Gallery as far back as 1959, and who we know wanted to do something to solve the long-standing Turner problem shortly before his death last July.

As for the Green Giant by Vauxhall Bridge, the owners of the site, European Ferries, asked the Tate Trustees some months ago whether they would be interested in taking over, at a peppercorn rent, the exhibition space planned to extend over the ground level of the site, including some of the garden area. Whatever the merits and demerits of the building and the scheme, it was an offer that we felt we must consider seriously, given the fact that despite the opening of the Tate extension last summer, we are still unable to exhibit a large part of the collection. But the building would obviously be more suitable for showing contemporary work, so that living artists can be seen by the public, and nobody ever thought of putting the Turners there. We continue to believe that this great master's work must be seen alongside the rest of the historic British collection, and we have never had any proposals now being discussed will allow us to achieve this.

Yours faithfully,
ALAN BOWNNESS,
Director,
The Tate Gallery,
Millbank SW1.
January 14.

Art inheritance

From Mr Hugh Leggatt

Sir, Miss Frances Gibb reports (January 12) the sale of works of art from Althorp and refers to the heavy capital taxes faced by Lord Spencer on the sale of his father's collection. She also refers to the new "£15.5 million safety net to preserve works of art, historic houses and land".

It cannot be stressed too forcefully that, without the easing of penal capital taxation in the forthcoming budget, the safety net of the new fund will be able to finance the retention in this country of only a minute fraction of the large number of works of art which are likely to be forced onto the market from British private houses as a result of inflation and taxation.

The Minister for the Arts, Mr Norman St John-Steves, has given a lead by introducing the National Heritage Bill but it is now the turn of Sir Geoffrey Howe, as Chancellor of the Exchequer, to follow suit by cutting back capital taxation in order to help conserve our dwindling number of works of art.

Yours faithfully,
HUGH LEGGATT,
17 Duke Street,
St James's, SW1.
January 13.

Pronouncing Kabul

From the Headmaster of Winchester College

Sir, It is not surprising that there should be more than one Afghan way of pronouncing Kabul. After all, how should one advise an Afghan visitor here to pronounce Newcastle, or Greenwich? And one would certainly hope he wouldn't ask about Cirencester.

Yours faithfully,
JOHN THORN,
The Headmaster,
Winchester,
January 12.

Whim-wham

From Admiral Sir Frank Tress

Sir, I was intrigued to read Miss Audrey Hogston's letter (January 11) about "Whim-whams" having learnt, and occasionally used, the expression "Whim-wham for a goose's bridle" since I was a midshipman.

In the course of instruction by the Commissioned Boatwain of a Battleship in 1928, I was warned that if a youngster asked a silly question deserving a silly answer he was likely to be dismissed with the words, "It's a whim-wham for a goose's bridle".

I have always supposed that this expression had a naval or seafaring ancestry.

Yours faithfully,
F. R. TWISS,
East Marsh Farm,
Brixton,
Wiltshire,
January 11.

LORD SOAMES ON HIS HIGH WIRE

Lord Soames's difficulties have emerged much as foreseen. After the initial orderly assembly of guerrillas of the two forces of the Patriotic Front at the places provided under the agreement, incidents and fatalities have occurred as the result of the activities of those who have remained in the bush. Some of these are freebooters and banditti, others may be acting under orders to constitute a force in being. It is reported that Mr Nkomo's Zimba forces have been better disciplined and have assembled more readily than Mr Mugabe's Zimba guerrillas, to whom most of the continued shootings and outrages are attributed. Nor did the local Zimba commander seem as upset about the unfortunate death of the Zimba guerrillas who refused to abandon their arms under the agreed procedures as did President Nyerere. The fact remains that all those still in the bush since a week last Friday are illegal.

These groups cannot be allowed to commit their depredations with impunity, and if Mr Mugabe cannot forcefully control them soon, perhaps after he returns, Lord Soames will have the difficult choice of sending in the Rhodesian forces under his command to neutralize them, or handing the party that sustains them over to the British impartial. Both President Nyerere and President Kaunda, as well as Mr Mugabe, make the accusation, Mr Nkomo, in a notably statesmanlike speech, but the importance of reconciliation far more strongly than on British shortcomings, which he mainly

ascribed to inadequate numbers of monitors; a point that suggests that he does accept that they are neutral and reliable.

The British decision to permit a detachment of South African troops to stand guard on the Rhodesian side of the Beit Bridge link was bound to provoke the front line Presidents (though President Machel has not protested). It is illegal, but if it had not been conceded, probably the agreement would not have been reached at all. The British position simply is that these few men do not constitute the foreign involvement in Rhodesia which Lord Carrington promised the Patriotic Front leaders would not be allowed under British sovereignty. The only way fully to meet the problem is to send British operational troops as opposed to the present monitors to the bridge area, which has all along been ruled out. Probably this issue should be reexamined, though it is clearly only technical; meanwhile there are still 500 Mozambican regulars, who have been helping the guerrillas in this and other areas, at large in the bush; some have disarmed and entered the assembly areas.

The remaining South Africans are individually enlisted in the Rhodesian forces and are now under Lord Soames's command (and are important for their help in particular in maintaining Rhodesian aviation). Their status contravenes no part of the agreement. Nor does that of the auxiliaries, formerly the Bishop's private army (in the main) and now his election agents. They are difficult to control, or to keep in or near their bases; but

it is the function of the cease-fire commission to deal with complaints and have them monitored. It will be impossible to prevent gangs intimidating each other and the electorate in this free and fair election; and evidently some Zimba and Zanza cadres are being kept in the bush deliberately to watch over each others' activities and preparations.

Mr Nkomo, however, struck a constructive and statesmanlike note in his speech on his return, with the emphasis on keeping the cease-fire, winning the election and reconciliation. He spoke for the Patriotic Front as well as for his Zazu wing, and gave an impression of a man who expected to emerge the victor if Mr Mugabe can speak similarly when he returns, more ground for a peaceful outcome will have been secured.

In the difficult passage that has yet to be negotiated by the Governor and by southern Rhodesia generally, one fact must be borne in mind. Britain is trying to preside over an election between two forces which have simply called a truce. Britain is not and could not act as a peace-keeping force; British sovereignty is accepted by the rival forces because it is convenient to them both. For this reason Britain could not, if it wanted, deliberately favour one party, such as the Bishop's, more than another, for then the cease-fire would collapse with dire effects. This fact, and the inherent precariousness of the whole operation, are perfectly known to Presidents Nyerere and Kaunda. Their premature shouts of "foul" from the sidelines are either unrealistic or mischievous. This is a time for restraint.

Diplomatic broomball

From Mr J. D. N. Hartland-Swann

Sir, I cannot judge the prospects for broomball in the United Kingdom. But your Moscow correspondent should be aware that it has already penetrated farther into Asia, if in suitably modified form. At Her Majesty's Embassy in Ulan Bator, the facilities are superior and the competition (if of necessity more limited by virtue of a total resident Western community of less than 20) intenser than that experienced by our Moscow colleagues.

The game on our flooded tennis court (the only one in town apart from that of the Soviet Embassy) is played with children's hockey sticks, for lack of suitable brooms, and in valenki—Russian felt boots—rather than tennis shoes to avoid undue digital loss.

The use of a plastic ball was abandoned when the customary winter temperature of -35°C was reached and it shattered; a wheel of the Residence drinks trolley proved a durable substitute.

The hazards also appear to have been greater. Apart from the perils of intoxication from the necessarily more frequent imbibing of vodka, the "cross-ticking" rule is unfortunately unknown in Mongolia. I myself fell a victim to a savage gale shot by my son, losing both upper front teeth in the process, and for the next three months, until I could have the damage repaired, my appearance was the subject of distinctly very speculation among my diplomatic colleagues.

But Moscow should look to their laurels. Before I left, the Joanne Ambassador asked that I was thinking of building a tennis court. Yours faithfully,
J. D. N. HARTLAND-SWANN,
formerly HM Ambassador at Ulan Bator,
King Charles St, SW1A.

Access to Public Records

From Professor R. L. Storey

Sir, The Public Record Office has two main functions: (i) to receive for preservation files no longer required for immediate reference by the departments of state which made them; and (ii) to make such records available for historical research. The new repository at Kew is the centre for both purposes, while the old office in Chancery Lane performs the records of courts of law and offices of royal government dating from 1086 to the seventeenth century.

The decision to close the search rooms in Chancery Lane reported by Mr Sainty (January 9) will be deplored by all specialists in medieval and early modern history, including many visitors from abroad. The office at Kew and its computer were not designed for contemporary records intended for sacrifice to house Chancery Lane's great apparatus of reference. Medievalists will be unable easily to move on to the British Library and the other institutions of learning in central London, as they now can to supplement their researches in Chancery Lane. Those of us who visit London for some days will be severely affected.

This grievous blow to historical research is threatened as a result of the Office's dual function. To meet its requirement to reduce expenditure, it has chosen to maintain its Kew based operations and its economy. In Chancery Lane, one "customers" must have an alternative and more equitable distribution of economics can be made. It would be better still if the office in Chancery Lane were made an autonomous institution, like the British Library, with its own budget. The

old "PRO" is highly regarded throughout the world and is a part of our heritage deserving preservation. Yours faithfully,
R. L. STOREY,
Department of History,
The University,
Nottingham,
January 11.

'Special price' books

From Mrs Cynthia Reavell

Sir, Robin Young is performing a very real service in exposing the Observer's so-called special offers. May I bring another of these to our attention? On October 28 a book called *A Tolkien Bestiary* was advertised in *The Observer* magazine at the "special price" of £9.95, and quoted as being £12.50 in bookshops. The bookshop price was in fact also £9.95, until two months later, on January 1, 1980, when it was increased to £12.50, by which time the offer would be unlikely to be still valid anyway.

Some time later, presumably after protests from indignant booksellers, a tiny "correction" was printed to the effect that the wording of the advertisement should have stated that £12.50 was the "normal price". After more incensed letters from booksellers, asking how readers were supposed to interpret a "normal" as "January 1", a genuine correction appeared eventually. By then, of course, the advertisement would have had whatever effect it was going to have on booksellers who would have lost sales of that book. Yours faithfully,
CYNTHIA REAVELL,
Martello Bookshop,
26 High Street,
Rye,
East Sussex.
January 3.

SOCIAL NEWS

Princess Michael of Kent celebrates her birthday today.

Birthdays today

Professor R. B. Braithwaite, 80; Lord Dawson of Gillingham, 77; Baroness Elliot of Harwood, 77; Sir Peter Carran, 70; Lord Hill of Luton, 76; Sir John Jupp, 61; Lord Lever of Manchester, 66; General Sir Roderick McLeod, 75; Miss Augusta North, 102; Lord Simon of Glaisdale, 69.

Bertrand Russell Memorial

It is proposed to place a memorial bust of Bertrand Russell in the gardens of Red Lion Square, W.C1. The memorial, designed by the sculptor will be Mr Marcelle Quinton. An appeal to meet costs of up to £5,000 has been made by Sir Alfred Ayer, Lord Ritchie-Calder, Mrs Dora Russell, Lord Brockway (chairman of the appeal committee), Mrs. Barbara Doherty, MP, Lord Willis, Mr Peter Cadogan (secretary), Mr John Gilmour and Mrs. Gilmour, of Abinger. Donations will be appreciated and cheques should be made out to the Bertrand Russell Memorial Appeal and sent to the appeal c/o SPES, Conway Hall, Red Lion Square, London, W.C1.

Epsom College

The Lent Term begins today with 591 boys and 32 girls in the school. D. T. Clark is head of school and N. A. Fahy is captain of hockey. The school society is performing the St. Matthew Passion, by J. S. Bach, on Sunday, February 3, in the chapel, and the school plays on March 20, 21 and 22. Term ends on Thursday, March 27.

Harrow School

The Spring Term began yesterday, J. C. Collett (Drummers) is head of the school this term. Founder's Day will be celebrated on Saturday, March 1. The commemorative service in chapel will be held at 5.45 pm, at which the preacher will be the Dean of Windsor. An Old Harrovian supper party will be held in the evening. A performance of Bach's St. John Passion will be given in speech room on Friday, March 28. Term ends on Friday, March 28.

Kelly College

The Easter Term begins today. J. P. Lean and O. Quint are joint heads of school. Mr R. H. Bishop is to be Housemaster of Convent House in September in succession to Mr J. H. Duff, who has been appointed to the post of Headmaster of the Kelly College. The Kelly College Entrance Scholarships have been awarded to S. L. Cooper, E. S. Gubbins, J. M. Hughes and E. E. Miller. The Kelly College Society and Orchestra will perform Bach's St. John Mass in Twickenham on March 22 and in Plymouth on Passion Sunday.

The Leys School

The Lent Term begins today. Mr P. R. Lacey succeeds Mr T. M. Ham as Housemaster of East. The school prefect is C. N. Farnham and the captain of hockey T. A. Brookes. The half-term exam is from February 15 to 18. The joint Methodist-Anglican confirmation service will be held on March 27 and term ends on March 28.

St Edward's School

The Spring Term started on Sunday. The head of school is S. C. Bressanell.

Westminster School

Lent Term at Westminster School begins today. There are 548 members of the school. C. C. S. Harborne (GS) is captain of the school and C. C. S. Harborne (GS) is captain of the school. The Tizard Lecture on Tuesday, March 4, at 5.45 pm, will be given by Professor Martha Reed. The school concert is at St Margaret's, Westminster, on March 19, at 8.00 pm and term ends on March 22.

Wrekin College

The Lent Term begins today. Andrew Beckwith is head of school. There will be an Old Wrekinian dinner at Guildhall on Founder's Day, March 14, to celebrate the school's centenary. Term ends on March 21.

Luncheon

Mr Alick Buchanan-Smith, Minister of State for Agriculture, Fisheries and Food, was host at a luncheon given by her Majesty's Government at Admiralty House yesterday in honour of Señor Jaime Lano de Esplana, Minister of Agriculture, Spain.

Latest appointments

Mr Harold Hewitt to be a circuit judge on the North-Eastern Circuit. Mr Admiral W. D. M. Staveley to be promoted Vice-Admiral on April 11 and to be Vice-Chief of Naval Staff in succession to Admiral Sir Anthony Morton on July.

Forthcoming marriages

Mr P. Naylor Leyland and Miss A. B. Lambton. The engagement is announced between Philip, son of Sir Vivian Naylor Leyland, Bt, and of the Hon Mrs Hastings, and Isabella, daughter of Lord and Lady Lambton.

Mr J. M. G. Cox and Miss S. J. Godderson. The engagement is announced between Michael, eldest son of Mr and Mrs John Cox, of Harpenden, Hertfordshire, and Suzanne, only daughter of Mr John Godderson, of Farnham, Surrey, and Mrs Heather Godderson, of Bath, Avon.

Mr N. M. Maybury and Miss S. E. Carroll. The engagement is announced between Neil Martin, elder son of Mr and Mrs Leonard Maybury, of Harborne, and Sally Elizabeth, only daughter of Mr and Mrs Ken Carroll, of Stretey, Sutton Coldfield.

Mr M. de Pasquiere and Miss E. d'Harcourt. The engagement is announced between Remi, son of M. and Mme de Pasquiere, of Paris, and Anne-Pierre d'Harcourt (Lauren Jones).

Mr J. P. Freeman and Miss L. M. Webb. The engagement is announced between Justin, son of Mr and Mrs J. P. Freeman, of Leamington, Warwickshire, and Linda, daughter of Mr and Mrs A. P. Webb, of South Stoke, near Bath.

Mr M. P. Lech and Miss M. A. Bromhead. The engagement is announced between Philippe, son of M. and Mme Jean Lech, of Fontainebleau, Val d'Oise, France, and Marjorie, daughter of Mr and Mrs P. A. Bromhead, of Alibon, Leicestershire.

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Mr A. Bloomer and Miss A. Bloomer

The engagement is announced between Auke, son of Mr R. Bloomer, of Bithoven, Holland, and Mrs T. Ruggers-Dagoe, of Amsterdam, and Angélica, daughter of Mr and Mrs P. H. Bischoff, of Johannesburg, South Africa.

Mr R. P. Davison and Miss A. Dallas. The engagement is announced between Robin Phelps, son of Major and Mrs T. A. Davison, of The Globe House, Great Bedwyn, Wiltshire, and Amanda, younger daughter of Mr and Mrs Anthony Dallas, of Blackmore, Bathurst, Berkshire.

Mr C. R. S. Hood and Miss M. L. Hood. The engagement is announced between Charles, younger son of Wing Commander J. S. F. Hood, of the Royal Air Force, and Miss M. L. Hood, of Lings, Lincoln, and Tessa, younger daughter of the late Mr Douglas Lovell, OBE, and Mrs Ursula Lovell, of Murray Cottage, Winton, Bristol.

Mr R. E. E. M. Wynn, KB, and Miss F. A. Adams. The engagement is announced between Robert, youngest son of Mr and Mrs P. E. Murray Wynn, of Woods Green, Sussex, and Fenella, youngest daughter of Mr and Mrs W. R. F. Adams, of Bartfield, Sussex.

Mr M. P. Lech and Miss M. A. Bromhead. The engagement is announced between Philippe, son of M. and Mme Jean Lech, of Fontainebleau, Val d'Oise, France, and Marjorie, daughter of Mr and Mrs P. A. Bromhead, of Alibon, Leicestershire.

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Mr J. C. Boothman and Miss S. Richardson

The engagement is announced between John, elder son of Mr and Mrs J. H. Boothman, of Little Court, Mount Cabral, St. Lawrence, Jersey, and Susan, younger daughter of Mr and Mrs W. E. Richardson, of Amador, Tower.

Mr J. T. P. Widdowson and Miss F. S. Macphie. The engagement is announced between Ian, elder son of Mr and Mrs J. T. P. Widdowson, of Kell School, Dumfries, and Fiona, daughter of Mr and Mrs C. S. Macphie, of Knock Hill House, Glasgow, Kilmarnock, Glasgow.

Mr R. J. Power and Miss M. R. Towler. The engagement is announced between Richard John, son of Major and Mrs J. P. R. Power, of Kilmington House, Wellington, Somerset, and Margaret Ruth, eldest daughter of Mr and Mrs J. H. Towler, of Hill Farm, Hales, Brackley, Northamptonshire.

Mr T. Gledhill and Miss A. Harrington. The engagement is announced between Timothy, second son of Mr and Mrs D. Gledhill, of Blackpool, and Ann, second daughter of Mr and Mrs J. R. Harrington, of Barlow.

Mr D. H. Parkinson and Miss M. R. Price. The engagement is announced between David, son of Mr and Mrs D. H. Parkinson, of Canon Edwyn Young officiated. A reception was held at the Savoy Hotel.

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Pay: will the Government's nerve hold?
Page 17

THE TIMES

BUSINESS NEWS

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LAING
make ideas take shape

Stock markets
FT Ind 445.8 up 10.6
FT Gilt 67.83 up 1.03

Sterling
\$2.2760 up 1.85 cents
Index 71.4 up 0.4

Dollar
Index 84.4 unchanged

Gold
\$656.5 an ounce up \$33

3-month money
Inter-bank 15 13/16 to 16 15/16
Euro \$14 1/2 to 14 3/4

IN BRIEF

Board to discuss director's future

Mr Graham Palmer, divisional chairman and director of international commodity brokers Gill & Duffus faces the main board today to discuss his future.

He has been with the company for about 25 years and heads Gill & Duffus Ltd whose activities in cocoa, metals, coffee and sugar contribute around half United Kingdom profits and 25 per cent of group profits.

His joint managing director Mr Roger Thorne said last night: "It is an unofficial board meeting at which Mr Palmer's future will be discussed. The talks do not relate to any profit performance. I'm not sure I'll be there. We will be making a statement after the meeting."

Gill & Duffus's year ended in December and the figures, due in March, are expected to show the first drop in profits for 20 years by £2.7m to £20m.

Rolls buoyant

Despite the road transport and engineering disputes, Rolls-Royce Motors produced 3,344 cars last year, only three fewer than the record output of 1978.

Since 1974, production of Rolls-Royce cars has risen 15 per cent and the number exported has gone up by 25 per cent. This compares with a drop of over 30 per cent in production and export for the British car industry as a whole.

Tate and Lyle action

Tate and Lyle Refineries yesterday used the Greater London Council and the Port of London Authority claiming £500,000 damages for siting of the Woolwich Reach of the Thames allegedly caused by the construction of Woolwich Ferry Terminal. Tate and Lyle have carried on business since 1879 as sugar refiners from premises at Woolwich Reach. The GLC and PLA are denying negligence.

Energy saving

Coal and nuclear power are the only economic energy alternatives for petroleum during the rest of this century, a national academy of sciences report said, in Washington.

The report, which took four years to complete, was prepared for the United States Department of Energy and recommended the development of a major synthetic fuels industry.

Concorde plan

British Airways and Singapore Airlines are looking into plans to extend the present Concorde flight to Hong Kong and on to the United States. If the flight does take place, Concorde would almost fly around the world. At present, British Airways operates the Concorde flight from Dallas/Fort Worth to London.

Far East trade talks

Mr John Nott, Secretary for Trade, is to visit Japan, Korea and Hong Kong for talks on trade and economic affairs from January 18 to January 31.

Wall St up

The Dow-Jones industrial average rose 5.4 to 863.57 and 685. Turnover rose slightly to 32.93 million shares. The exchange value of the dollar against the SDR was 1.32277. Sterling was 0.584391.

Petrol up to 125p a gallon as BP passes on new Forties rate

By Nicholas Hirst, Energy Correspondent

British Petroleum today began a new wave of petrol price increases which brings a gallon of four-star to about 125p at the pumps.

The increase, which was imposed from midnight and will be followed by the BP subsidiary, National Benzole, comes after the fixing yesterday of a new price of \$29.75 a barrel for crude oil from BP's Forties Field, the most prolific producer in the North Sea.

BP has increased four-star petrol by 4p on wholesale prices. It made an interim increase of 1.8p at the end of December, and with VAT these rises put between 61p and 7p on a gallon which is likely to sell at around 125p.

Other companies are expected to raise prices by differing amounts, depending on the mix-up of their supplies and how far it has been possible to determine the increases they have to face in crude costs.

Esso has already put 4p on a gallon as a result of the 33 per cent increase in the cost of crude from Saudi Arabia, and Mobil has put 3p on its wholesale sale prices. The average increase should work out at between 7p and 8p by the end of the week.

In line with other United Kingdom petrol companies, BP takes at least half its crude requirements from the North Sea. Agreement with the state-owned British National Oil Corporation (BNOC), which has the right to buy 51 per cent

of Forties production, has allowed BP to complete all the rises necessary to recoup the increase in crude costs consequent on the December Opec meeting, which left member countries free to fix their own prices.

By the end of this week all North Sea producers should have agreed prices with the BNOC. Opec's December free-for-all made it particularly difficult to fix the right level. A spokesman for BP said that \$29.75 had been agreed on the basis of comparability with similar high quality crudes from North Africa, but both Libya and Algeria have put surcharges in to their prices, charging nearly \$35 a barrel for their crude.

Some North Sea producers have insisted that under participation rules BNOC must pay these prices. BNOC argued that its statutory duty of paying a market price is not by paying around \$30, at which it believes quality crude of the North African variety will settle.

A row between the "hawkish" companies and the state-owned corporation is still possible and could conceivably include court action.

The Department of Energy, however, has been anxious to be seen as doing what it can to prevent a further spiralling of oil prices. The department takes the view that the price for Forties crude, with suitable differentials for other North Sea qualities, fulfils its international obligations to other consumer countries.

Cutback in Christmas spending points to decline for retailers after January sales

By David Blake and Derek Harris

Spending in the shops in December stayed at about the same level as the previous month, in spite of the Christmas bonus to pensioners and the effects of back-dated income tax rebates.

The signs all point to a downturn in the nation's High Streets as soon as the January sales end. From now on there is likely to be a tightening of household budgets, since no further tax hand-outs will occur at least until the Budget.

The provisional figure for retail sales in November was put at 113.1 by the Department of Trade yesterday. It is estimated that, in the four months to December, the volume was 11 per cent lower than in the previous four months and fractionally below the figure in December last year.

Estimates of the volume of retail sales are seasonally adjusted and try to smooth out the usual Christmas rush. In the months from October to November, it is calculated that about £2,000m of the £6,500m spent is tied more or less directly to Christmas.

Retailers began the Christmas period with fairly high expectations, based on the Budget income tax rebates and the pensioners' bonus. In addition, they hoped people would be coming back to the shops after the lull caused by the sharp increase in value added tax. In the event, much of the money handed out by the Government has not been spent in the High Streets.

The failure of stores to attract buyers during the last months of 1979 when they had substantial injections of purchasing power, bodes ill for this year.

However, it is clear that, after a bad start, the December sales did not turn out to be quite the disaster which at one time appeared likely, although shops were left with heavy stocks.

January sales, still continuing in some stores, look likely to clear their stocks. But it is at a cost, in many cases, of giving bigger discounts than usual.

The effect could still turn out patchy, with the fashion field in women's wear the worst problem. This could apply particularly to specialist shops for which

fashionwear is the only or the main selling line.

Harrods, now nearly half-way through its three-week sale, said it tackled the fashionwear problem by discounting strongly. Sales are "satisfactory" and stocks should be cleared.

The cold snap has come at the right time for outerwear sales, with furs selling well. Television sets, radios and the heavier domestic electrical items have also been selling well, a much needed fillip especially in the white goods.

Harrods's first week ended with sales up 25 per cent on last year but most of this is accounted for by inflation. At the John Lewis Partnership's department stores, the first week of January showed a 27 per cent rise.

The effects of inflation in the department store sector is probably around 15 per cent or slightly less. In menswear, still to an extent adjusting to the switch into ready-to-wear, sales for companies like Burton Group and J. Hepworth and Sons have substantially cleared stocks.

Table, page 19

Hopes of lower MLR boost shares and gilts

By Peter Wainwright

Hopes that interest rates have peaked and are coming down brought institutions back into gilt-edged and ordinary shares yesterday.

Last week the FT index had its biggest weekly rise, 21.3 points, since last March and gained a further 10.6 points to 445.8 yesterday, its best since the end of last October. Before profit taking the index was 13.1 points ahead.

The pattern established last week of gilt-edged leading shares upward was repeated. Unrestrained by the two top stocks, Eschquer 14 per cent and Treasury 14 per cent 1998-2001, which were exhausted in less than 24 hours of each other—gilts at the longer end

surged ahead by up to £2. Gains in shorts were sometimes as good as £1.

The buying spilled into shares, and gains were seen nearly everywhere. But there were signs after the official close of business that the rally was running out of steam.

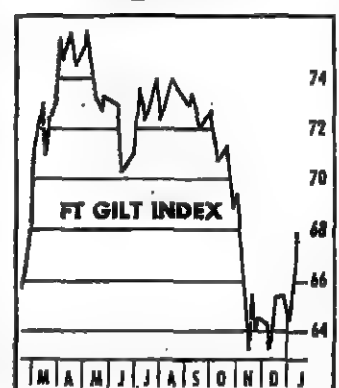
Last week's bank lending figures suggested that money supply growth was at last coming under control. Buyers immediately cleared the two top stocks and in doing so brought the authorities within their money supply targets.

Without top stocks to deter them, gilts climbed briskly. There are hopes of cuts in Minimum Lending Rate by the end of next month and of further cuts in the March Budget.

The same hopes spurred shares, and buyers quickly convinced themselves of early steel peace. But the confidence did not last and the traditional distress signal, the gold price, continued to rise. Yesterday it took the FT gold index from 294.3 to 326.6.

Settlement of last week's heavy purchases of gilt-edged securities by investors contributed to a big shortage of funds in the money markets yesterday. The Bank of England had to provide assistance of more than £1,000m and the overnight rate for inter-bank money stood at 20-25 per cent for most of the session, briefly touching 30 per cent.

The situation should improve considerably on Wednesday when the authorities release



about £1,000m of special deposits lodged by the commercial banks at the Bank of England.

Financial Editor, page 17

No financial sanctions likely after Iran veto

From Peter Norman, Brussels, Jan 14

The question of America's European allies introducing financial sanctions against Iran appeared to be back to the drawing board this evening following the Soviet veto against sanctions in the United Nations Security Council.

EEC foreign ministers are expected at their meeting in Brussels tomorrow to endorse a decision whereby the community will not step into the gap caused by the United States withholding 17 million tons of grain from the USSR after the Soviet invasion of Afghanistan.

According to diplomatic sources in Brussels, the question of whether to impose sanctions against Iran is likely to cause the foreign ministers a greater headache than in reaching a common position on Afghanistan.

Britain, West Germany and the other allies in Western Europe planned their sanctions against Iran on the assumption that they would receive Security Council backing, which would



Mr Warren Christopher, American Deputy Secretary of State, right, leaves No 10 Downing Street yesterday with Mr Douglas Hurd, Minister of State at the Foreign Office, left, and Mr Kingman Brewster, United States ambassador.

have given the force of law to the proposed financial measures. In both Britain and West Germany, there are serious legal problems about enforcing any financial and banking measures without the UN resolution.

Although Mrs Thatcher gave a strong pledge of support to the Americans in Washington last month, there are grave doubts in the Treasury and the Bank of England about the wisdom of going ahead. Sanctions would involve the

granting of no new credit to Iran, the opening of no new accounts; preventing the Iranians from switching out of dollars, and being prepared to foreclose on loans.

The Germans now think the issue has to be renegotiated with the Americans, and are anxious to see whether Mr Warren Christopher, deputy United States Secretary of State who is visiting Europe this week, has any ideas for helping them out of their dilemma. It is extremely un-

likely that the German banks—which made their compliance conditional on a Security Council resolution—would follow a mere government appeal to adhere to such sanctions.

There is some annoyance in Britain about the American claim last week that its allies would go ahead with Iranian sanctions even without a United Nations resolution. It is felt in some quarters that this was an attempt to force the allies into a position they had not yet agreed to.

Societies' higher rates fail to attract savers

Building societies had a poor month in December despite the record interest rates being offered to savers. Net receipts were £161m, slightly up on November's £134m, but nowhere near enough to meet the demand for mortgages.

Figures from the Building Societies' Association yesterday also showed that home buyers found mortgages more difficult to obtain in December than for many months previously.

In December the societies granted home loans totalling £654m, the lowest amount since February, 1979. The amount promised was £608m, the lowest since April, 1977.

There is already speculation that building society interest rates, including the mortgage rate, could rise again, but an early decision is extremely unlikely. The societies say it is

difficult to identify the underlying trend of receipts.

December is always hit by Christmas spending and last month was also affected by the Government's decision to raise the limit on holdings of indexed retirement bonds.

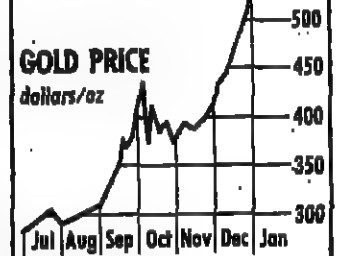
Figures for January and February are also likely to be distorted by changes in national savings rates.

Mr Norman Grigg, secretary general of the Building Societies Association, said yesterday that net receipts of £3.326m in 1979 were £16m higher than in 1978 and the amount lent, £8,856m, was up by £122m.

However, the sharp increases in house prices meant it had been possible to help only seven home buyers for every eight helped in 1978.

Silver prices rose sharply. At the morning bullion fixing "spot" put on 134.75p per Troy ounce to 1756.10p and three months advanced by 117.75p to 1782.10p.

In the London Metal Exchange ring, cash closed 191p up at 1815p and three months was 197.50p ahead at 1832.50p.



Foreign companies are queuing for Meccano

By Philip Robinson

Foreign companies wanting to make Meccano abroad under licence are queuing at Airfix Industries' London office.

As Airfix battles over the much criticised closure of its Portlaoise, Co. Wick, and Dinky Toy plant, City sources claimed that American and Hongkong companies were the big contenders to take away what has been seen as an all-British product.

Mr Ralph Ehrmann, Airfix chairman, said last night: "We have had a lot of approaches from everywhere, including the United Kingdom, but there has been no commitment from either side."

Airfix's 20 institutional shareholders who account for 60 per cent of the equity, will meet

on January 23 and 24 to hear Mr Ehrmann talk about the company's future.

Mr Ehrmann said: "It will be more philosophy than figures. I will enlarge on the management changes over the past six months and the tighter head office supervision over the division."

The fund managers will want to know more than that. Meccano has lost £4 million over three years and profits for Airfix for the 12 months to March 1980 are estimated by some City analysts at no more than £700,000, against £1.5 million last time.

One possible buyer is said to be the meditating Maharishi Mahesh Yogi, but Airfix said it had no talks with him since an initial approach.

Bowring predicts a bitter fight over any US offer

By Richard Allen, Insurance Correspondent

C. T. Bowring, the British insurance broker, has promised a bitter fight against any take-over bid from the world's largest broking group, Marsh & McLennan of the United States.

Marsh said last week that it might be prepared to make a £245m cash and equity takeover offer, worth around 168p a share, if approval was forthcoming from the British board.

Bowring yesterday responded by stating that acquisition by Marsh "would not be in the best interests of the group as a whole, the businesses operated by the group, the clients and other interests."

Prominent among those interests, it said, were the Bowring group employees, "many

of whom have expressed grave disquiet."

The Bowring board added that an offer along the lines proposed by Marsh would be regarded as inadequate.

The American group is expected to make up its mind whether or not to proceed with an offer to shareholders later this week.

Bowring's shares were unmoved by yesterday's development and, at 139p, still reflect investors' doubts that a firm offer is certain in the near future.

The Office of Fair Trading has taken a preliminary look at the threatened bid but will not begin a full investigation until a firm offer is made.

Financial editor, page 17

Optimism over world oil stocks

Continued from page 1

highly regarded in the field and are closely followed by both industry and government energy experts.

The analysis says that, on October 1, inventories available for oil in storage tanks, as opposed to oil already in the distribution system, stood at 660 million barrels, enough for at least a 16-day supply. That is about 11 per cent above normal and 28 per cent above the level of inventories on October 1, 1978, just before the trouble in Iran began.

Inventories normally reach their just before winter, when the worldwide demand for oil reaches its seasonal high. Usually the consuming countries begin to draw down their stockpiles during the middle of the fourth quarter and rely heavily on them for the rest of that quarter.

But this year inventories apparently continued to build up long past the historic turning point—New York Times News Service.

British toy company plans major expansion 'over the foam'

Chinese preparing for the Shanghai bendies

Mr Charles Neufeld, the one-time industrial chemist who in 30 years has built up what he says is the world's largest privately-owned toy company, leaned back among a new range of his Bendy Toys at the Harrogate Toy Fair yesterday and talked of his overseas expansion plans, including production in China.

Within a year he hopes to be producing bendies from a factory in Florida, to re-enter the United States market, which he believes is a year away. But, by April or soon after, bendies will also be coming off a Shanghai production line under an arrangement which Mr Neufeld has made with the Chinese.

Because of China's low labour costs the Shanghai bendies

will be particularly competitive and should give the company a smooth-finished foam rubber dolls with wire "skeletons" that allow them to be bent to any shape—a greatly increased share of markets in Pacific countries including Japan and Australia. The Bendy Toys company, whose sole production centre at present is in Middlesex, has annual sales of around £100,000 in the Far East.

Mr Neufeld, whose annual turnover is now "many, many millions of pounds", is supplying the moulds and production expertise to the Chinese who are preparing orders.

He said: "While Chinese labour rates are low—about 10p an hour—and with the labour content of toys like these being so high, it is possible

that bendies made in China might eventually go to other markets, including the United States and Europe. But there is no question of our United Kingdom production being affected. I don't suppose the Chinese rates will stay low anyway; low cost countries soon enough become normal cost."

Low cost is critical in the United States market, too, because of cheap toys imported from the Far East, although bendies still have no direct competitor, according to Mr Neufeld.

Mr Neufeld is going to Florida because it is not unionized and because there are plenty of retired people there who could be used as out-

workers.

"I know British makers' experience in the United States has not been too happy but after a lot of survey work we think we have got it right", he said.

Bendies now sell in 50 countries with a range, compared to the initial dozen characters led by the original Bendy Bunny, that now runs to 150 bendies and 250 other toy categories.

At Harrogate the Neufelds were showing a new selection of bendies for next Christmas. Muppet characters, including Miss Piggy in a karate outfit, have joined the earlier Disney characters, Mickey Mouse, Pluto and Winnie the Pooh, all plush covered, are another new but non-bendy line.

Derek Harris

PRICE CHANGES

Rises

Ass Paper 5p to 45p
Brentford Beers 48c to 16p
Elburg Gold 5p to 37p
Feeder 70c to 755c
Groceries

Falls

Bank of Scot 7p to 297p
Barlow Hides 9p to 91p
Carton Vty 1p to 18p
Eng & O'Leary 2p to 21p
Glasgow Pav 3p to 37p

Kelsey Ind 23p to 123p
S.A. Land 11.52 to 11.62
Vaktonen 115.50 to 109.50
Western Areas 1.98 to 1.98
W Rand Cons 57c to 595c

Lep Grp 5p to 245p
Maitland 5p to 263p
Sotby PE 5p to 395p
Western 33p to 661p
Whitley BSW 1p to 15p

THE POUND

	Bank	Bank
	buys	sells
Australia \$	2.10	2.03
Austria Sch	29.60	27.60
Belgium Fr	67.75	64.25
Canada \$	2.69	2.62
Denmark Kr	12.61	8.30
Finland Mk	9.40	9.00
France Fr	4.07	3.80
Germany Dm	101.00	96.00
Greece Dr	11.50	11.50
Hongkong \$	1915.00	1820.00
Italy Lit	560.00	535.00
Japan Yu	4.49	4.26
Netherlands Gld		

Notes for small denomination bank notes only, as supplied by the Bank of England. Bank notes are subject to change without notice. Bank notes are subject to change without notice.

THE WELLCOME FOUNDATION LTD.

Report for the year ended 25 August 1979

	1979	1978
Capital employed	\$305,700,000	\$218,600,000
Group Sales	\$411,600,000	\$381,700,000
Profit before tax	\$51,400,000	\$51,100,000
Profit after tax	\$23,900,000	\$23,400,000
Expenditure on research and development	\$17,100,000	\$15,400,000

"Total group sales were \$412 million, an increase of 8% on the previous year," says Mr A. J. Sheppard, Chairman of The Wellcome Foundation Limited, in his annual report. Group profits before tax were \$51.4 million compared with \$51.1 million, an increase of 1%.

"The effects of the stronger pound are adverse to this group and if sales and profits for 1978 and 1979 are compared in local currency terms, the increases would have been approximately 11% and 14%, respectively."

"Foreign exchange losses amounted to \$7.1 million compared with \$12.2 million in the previous year, a relative disadvantage suffered by this year of \$5.1 million."

"The results for the year under review speak well for the underlying strength of the group and the spread of its markets."

"Our capital expenditure for this year in the United Kingdom amounted to \$12 million and the group total was \$27 million."

"In order more properly to reflect the underlying asset values of the group, major properties throughout the world were valued by independent professional valuers at August 1979. This gave rise to a surplus of \$46 million which has been taken to reserves. Without this surplus the group's net gearing position would have remained substantially the same as last year."

"Our view of the immediate future is that we expect to hold our own in the difficult trading times which are anticipated. This industry is not immune from world economic adversity, nor is it able to manoeuvre its trading positions with the flexibility enjoyed by some other industries. We are generally operating around the world under price constraints which are applied to rigorously and can only harm the search for new products. We must hope for proper consideration in the matter of prices and we must also hope that good demand will prevail upon those who are in a position to affect the level of inflation in this country."

The Wellcome Foundation Limited is an international group of pharmaceutical and chemical companies with headquarters in the United Kingdom. Under the will of Sir Henry Wellcome, all distributions received by the trustees who are the sole shareholders are applied by them to the support of medical and veterinary research in universities and hospitals throughout the world.

Wellcome



Coastal pays \$20m to settle oil fraud case

Coastal Corporation-Coral Petroleum and three of its top executives will pay the American government more than \$20m to settle one of the biggest oil-fraud cases brought in recent years by the justice department which alleged that the two companies ran a complex scheme in 1975 to evade federal oil-price regulations.

Mr Oscar Wyatt Jr, Coastal's chairman, pleaded guilty to a criminal charge that he willfully violated federal energy regulations. Guilty pleas were also entered by Mr Sam Wilson Jr, Coastal's senior vice president and by Mr David Chalmers the president and owner of Coral.

The three were fined the maximum \$40,000 each on the misdemeanor charges.

Mr Wyatt said that his attorneys believed in 1975, and still believe, that the transactions cited in the criminal case "aren't in fact covered" by federal regulations.

French steel surplus

France had a provisional trade surplus in steel in 1979 of about 1 million tonnes with exports of about 9 million tonnes. The 1978 surplus was 1.83 million tonnes from exports of 9.20 million and imports of 7.37 million.

AEG sells to Egypt

AEG-Telefunken said it won three orders worth a total of Deutsche marks 46m (£12m) from Egypt, including Deutsche marks 31m for the renewal of the telephone networks in the Almaz, Quabba and Giza areas of Cairo. Other orders are for ticket printers and electrical equipment.

Energy use falls

French energy consumption rose by 2.7 per cent last year to 189.5 tons of oil equivalent (TOE) and economic activity expanded by 3.5 per cent. Consumption in 1979 was 18m TOE below pre-1973 predictions. Growth in energy consumption slowed considerably in the second half of last year after an energy-savings campaign started in June.

Honda in Yugoslavia

Honda engines for the eastern European market will be assembled in Yugoslavia under a joint venture. Eighty per cent of the \$4.2m (£1.9m) capital will be subscribed by Standard Our Tuornika Motors of Yugoslavia, the remainder by Honda.

Japan reps in Russia

Three Japanese steelmakers sent representatives to Moscow yesterday to resume negotiations on exports of steel pipes to the Soviet Union. While the Japanese government considers joining America in economic sanctions against the Soviet Union, Nippon Steel Corporation said there had been no government attempt to dampen the talks.

Consumer index slump

The European Community consumer confidence index slumped in October by 7.9 points to 105.4 (1975, 100), the lowest point since the 1974-75 recession, signalling a possible slackening of demand and a further slowdown in industrial growth. Britain recorded the steepest decline of 21.3 points to 116.7.

Norwegian inflation

The rise in Norwegian consumer prices slowed to 0.3 per cent last month from 0.4 per cent in November. The December index stood at 154.3 (base 1974) a year on year gain of 4.7 per cent compared to 4.6 per cent in November.

Big demand for super-smooth camera mirrors developed by NPL team

Marketing products of X-ray optics research

Research in X-ray optics at the National Physical Laboratory, Teddington, is being applied to the products of a new company, Astron Developments. This marks the second stage in an industrial/NPL partnership which began with the commercial exploitation by Ion Tech (located as is Astron, in Teddington) of the laboratory's prototype ion source, for uses which include preparing specimens for electron microscopy.

NPL scientists led by Dr Albert Franks had developed methods for producing precisely curved focusing surfaces, calculating shapes and tolerances, and measuring the surfaces and instruments employing X-ray components.

One such instrument is the Franks small-angle X-ray scattering camera, which is used in industry and research for studying the molecular structures of polymers and biological materials, catalysts, suspensions and metal microstructures.

At the heart of this camera is a super-smooth mirror which is curved into a cylindrical form by a bending mechanism. The demand at NPL for these mirrors for outside customers has grown so great that the team decided to transfer its manufacturing expertise to industry.

Initially the work was handled by Ion Tech, which had earlier converted the laboratory's prototype ion source into a sound industrial product. The company's X-ray component work became known to organizations such as the Science Research Council, the United States National Aeronautics and Space Administration, and European and American industrial, university and government laboratories.

Among recent products are six telescope mirrors which were used in the SRC Ariel 6 scientific satellite launched last May; and a parabolic mirror for Lockheed used in a spacecraft launched last July.

Technology News

The demand for large components such as X-ray telescopes one metre in diameter meant that special, large machine tools were required. Ion Tech premises were too small to cope with the expansion involved, and the decision was taken to form a new company, Astron Developments, to concentrate on the X-ray side of the business.

A new holding company, Teddington Developments, was formed—with the support of the National Research Development Corporation and Midland Montagu Industrial Finance—to manage the two operating companies.

Mr A. P. Vickery was recruited from the space project management side of British

Aerospace, Bristol, to become business manager of Astron. Export prospects for both companies' high-technology products are good, and there is a continuing link with the research work and measurement facilities of the National Physical Laboratory.

UK amateur spacecraft

Britain's first amateur spacecraft is to be carried as a secondary payload aboard a satellite to be launched by NASA, in September, 1981. The British spacecraft is now being developed at the University of Surrey, Guildford, and has been designated UOSAT (University of Surrey Satellite).

With support from the electronics, telecommunications and space industries, the satellite is being built through collaboration between the International Amateur Satellite Corporation (AMSAT), the Amateur Satellite Organization of the United Kingdom (AMSAT-UK) and the Radio Society of Great Britain.

The purpose of the spacecraft is primarily educational. It will carry a number of high-frequency radio beacons. By tuning in to these transmissions, individual radio amateurs and science groups in schools and colleges will be able to study the changing effects of the ionosphere on radio-wave propagation.

The satellite will also carry a three-axis magnetometer which is to be built by an amateur radio enthusiast at NASA's God-

dard Space Flight Centre near Washington.

In the work that has been done to date, the overall system design has been confirmed, and the structure of the spacecraft has been redesigned and analyzed (at British Aerospace Dynamics Group). A survey has been made of the best way of stabilizing the craft.

A low-power microcomputer system has been built to the initial "breadboard" stage by Mr Mike Stubbs of Farnham and a telecommand receiver has been completed in its "breadboard" form and has operated continuously for three months.

A first prototype radio beacon has been built, and a number of solar panels (spare from the Ariel 6 project) have been donated by the Science Research Council.

In the initial "breadboard" stage of development the proposed electrical and electronic circuits are assembled in a rudimentary but accurate way to check that the circuit performance matches the specification.

Next an engineering model is constructed. This is representative of the final spacecraft but is used for exhaustive testing.

Finally, the flight-model spacecraft is completed. This is either a duplicate of the engineering version or, if faults have shown up in testing, an improved version of it.

Under Mr Martin Swearing as project coordinator, the Surrey team hope to complete these three stages by August 1980, December 1980, and August 1981 respectively.

Kenneth Owen

Shell polyethylene price to rise 10 pc

By Our Industrial Staff

Shell Chemicals UK is to raise the price of all grades of low-density polyethylene (LDPE), one of the bulk products of the plastics industry, by about 10 per cent at the end of this month.

The increase will take the price of low-density LDPE to about £600 a tonne. It is the second in less than three months, and means that prices have risen about 80 per cent in the past year and a half.

Yesterday, Shell gave a warning that a further rise in polyethylene prices can be expected soon.

Since June, 1978, when the price stood at £340 a tonne, there have been several increases. Unless there is a sudden change in oil prices, the cost of LDPE may be more than double that by the end of the year.

The price of LDPE—and other bulk products such as PVC and polypropylene—has been towed forward by the oil price juggernaut.

Last night, Shell said that the recent increases reflected the rising costs of crude oil and

related petrochemical feedstocks. "However, they only partially cover the higher oil prices which have been announced following the December meeting of Opec."

"They do not make any contribution to the recovery of higher operating and distribution costs."

The Plastics Industrial Film Association, which represents many of the users of polyethylene packaging film, said that the increase would be passed on to customers.

Shell, like other plastics producers, has made little or no profit on LDPE sales in recent years. Now, over-capacity in the industry is being slowly reduced—partly by the constraints imposed by difficulty in obtaining feedstock supplies—and prices are returning to what the companies feel is a more realistic level.

Producers are looking forward to a further improvement in profitability this year, but at the back of their minds is the possibility of the Americans, helped by artificially-low feedstock prices, making an assault on the bulk plastics market.

Greater lending scope for World Bank

Washington, Jan. 14

The prospects for substantial real increases in the World Bank's lending activities have improved. The bank announced today that its shareholders have voted in favour of a \$40,000m rise in the bank's authorized capital.

This vote will lead to a virtual doubling of the bank's capital and so permit lending increases. The bank's lending is limited under its articles to a total amount no greater than the bank's subscribed capital and reserves. Without this vote the bank could have been forced within the next couple of years to scale-down its lending programmes.

To secure this capital rise, it was necessary under the bank's articles for holders of more than 75 per cent of the outstanding shares to vote in favour of the increase. This has now been achieved, even though the largest shareholder, the United States, has still not given its approval.

The nations owning World Bank shares only have to pay 7.5 per cent of the capital rise, amounting in this case to about \$3,000m, into the bank. The remaining 92.5 per cent can be called by the bank in the event of a cash emergency. There has not been such an emergency in the past, and the bank has never had to register a loss on any of its loans.



Photograph by Bill Warburton

Bank sculpture: Ugly washerwomen are the unlikely heroines depicted in Mr Walter Ritchie's sculpture for the banking hall of National Westminster's new city office in Bristol, John Huxley writes.

The marble wall, weighing about 1½ tons, recalls when the much-maligned women provided Queen Elizabeth I with spotless laundered neck linens. This visiting monarch had complained that her clothes had been soiled on the rough, dirt road to Bristol.

In return, the women were granted the use of Drandon Hill, where earlier they had been terrorized by the hounds of a local landowner, for drying their washing. This was "by order of the Queen who in her peerless beauty has pity on your ugliness".

Mr Ritchie, seen above with his sculpture, explained that he had given the theme a fairy tale treatment, with savage hounds, beautiful women, villainous-looking men and lines of washing represented as flags.

The new office is in Corn Street, where before the formation of Nat West, each of its three constituent banks had branches. Two of these have effectively been knocked together by the contractors, Bovis, to produce one. A richly modelled Victorian facade has been retained and makes a striking contrast with the modern banking hall.

Mr Ritchie chose his theme for the wall from a number of suggestions by Mr Hugh Duckett, the bank's regional architect.

Status of engineers: excellence of training system in Britain

From Mr A. S. E. Tomalin

Sir, I find the conclusions of the Finlinton Report and your leading of January 10 most saddening. You both correctly identify the low status of the British engineer, but by no means is this because of his inadequate engineering training: quite the reverse, foreign companies highly respect and value our excellence in this field and are eager to snap up British trained graduates, who are seen to have a solid, comprehensive theoretical base coupled with industrial experience.

British industry may complain at having to take graduates and mould them into practical men for its purposes, but it should accept this as its burden, for no amount of education can adequately simulate the experience of industrial practice. No, sir, the production of "Market-places" in test tubes, presumably is not the goal of a university education.

If we wish to have better engineers we should instead be teaching them the additional skills of reflection, literacy, communication and management, a knowledge of the liberal arts and so forth, then we would succeed, as has been done elsewhere, in producing well-rounded and respected individuals.

Yours faithfully, ANDREW S. E. TOMALIN, Fairchild Semiconductor Ltd, National Westminster Court, Little John Street, Bristol BS1 2EF, January 11.

training has been increased to four at a post-graduate level. This would compare favourably with the optimum of the four-year M. Eng. course and two years of practical experience suggested in the report.

It seems that one of the weaknesses of the report is the reliance on educationalists to select potential high fliers during theoretical studies for an essentially practical professional task for professional engineers, not professional teachers.

In my own profession there is no shortage of high standards but there is a lack of incentive for the employer to pay salaries which reflect the engineers' value to society, or to restrict the practice of engineering by unqualified and non-competent operatives.

You suggest that the door has been left open to the future licensing of engineers but it is probable that unless licensing can be bound in to any legislation arising from the Finlinton proposals, then the projected changes will be ineffective. The restriction of important tasks to licensed qualified engineers would lead to higher remuneration for engineers, improved intake to engineering and ultimately a keener competitive edge for the British engineering industry.

Yours faithfully, ALAN HARRIS, Swanbridge House, 2a Church Avenue, Penarth, South Glamorgan, January 11.

another quango is just avoiding the issue.

To increase the status of the engineer it is necessary to earn it. By making sure that all engineering institutions impose the same rigorous standards for the civil, municipal and structural institutions do; by asking them out to educate the public and by making a valuable commercial contribution to industry—these are the ways to increase the respect afforded to the engineer.

Perhaps it is time for civil engineers to join with the architects and quantity surveyors in a Construction Institutions Federation. Certainly I do not want to be equated with a registered gas installer; I value my charter.

Yours faithfully, PHILIP M. SIMPSON, 55 Westwood Road, Harborne, Birmingham, B17 9SS, January 10.

From Mr A. Sandman

Sir, A graduate engineer with a few years' experience aged between 25 and 30 on average gets about £5,100 per annum. Even a postgraduate of 35 to 39 gets only £7,700 a year. I call these bus drivers' salaries.

The Finlinton Report misses the basic point which is not to conduct an elaborate title re-labelling exercise and to fiddle with the "curriculum" but to do something about our poor salaries now.

If this were done there would be no problem in obtaining high quality students for what is an interesting and useful profession. Indeed there would be no problem in keeping these engineers we have in engineering and so stopping the present tendency for engineers to drift into sales and administration.

I can only reiterate if we were paid a proper salary now there would be no problem with the engineering profession.

Yours faithfully, A. SANDMAN, 57 Priarose RM Court, King Henry's Road, London, NW3, January 10.

Sales commission and surveyors' fees

From Mr C. J. Dobson

Sir, I am writing to comment on the letter sent to you by Mr John Bourgoignie (January 10). I am a chartered surveyor and the sole principal of a large estate agency practice.

I quite understand Mr Bourgoignie's reaction when his house was sold, apparently to the first person who showed interest, involving the agent in very little work. I also agree with Mr Bourgoignie that the sales commission fees and survey fees are out of balance.

An important point that people overlook is the reason why an agent is able to introduce a buyer immediately he receives instructions. It is because he maintains a large organisation with high overheads to generate inquiries. It may well be that the particular purchaser who bought Mr Bourgoignie's house had been dealing with the agent over many months previously, but Mr Bourgoignie would not be aware of all the time and effort that had already been invested in this applicant before his house came on to the market.

Estate agency services are expensive but the cost of providing them is high. Mr Bourgoignie has obviously sold at a price that satisfied him. He should be pleased that his estate agent was able to produce results so quickly and perhaps on reflection he will understand that the true cost of being able to introduce the applicant quickly is higher than at first it might seem.

With regard to the huge disparity between sales fees and survey fees, it is our view that the survey fee is chronically too cheap. After strictly commercial appraisal we decided to give up doing surveys altogether. The general level of fees is so low that in real terms we are losing money quite heavily and we were interested to learn from our professional indemnity insurers that many other surveyors feel the same way.

We consider that a really exhaustive survey should take even longer than Mr Bourgoignie's mentions and should cost something in the region of five times the sum he paid.

We feel sure that in the next few years professional fees will be charged at a more realistic level and the huge disparity between selling fees and professional fees will no longer exist.

Yours faithfully, C. J. DOBSON, Conveyance Estate Offices, 135/137 The Broadway, Mill Hill Circus, London NW7 4TD, January 11.

Dealing with UK's mineral resources

From Mr Anthony Holland

Sir, I would like to add my support to the letter yesterday (January 9) from Sir Kingsley Dunham and Sir Peter Kent.

As one who has investigated and advised on mineral titles I find it becoming increasingly difficult to meet clients' requirements in this area of legal work of detailed and certain knowledge.

This has become more and more noticeable over the past few years, particularly when apparently worked-out resources have, as a result of radical change in price becomes worth further reinvestment but where perhaps the titles have in the period of their lack of working, become confused.

I appreciate that what is suggested is intended to relate to undiscovered resources of minerals but there is a grey area lying somewhere between currently worked mining, without resources which could also well benefit from a great deal more certainty than is presently the case.

There has been a renewal of interest in mineral resources in this country possibly not least because of the political stability it enjoys, yet we are not as well equipped to meet the renewal of interest as we ought to be. I understand that in Ireland steps have been taken recently to ensure all the resources are vested in the Government, which has no negotiations have to be conducted: the Government in turn then dealing with individual owners.

It is therefore all the more urgent that this problem should now be reexamined.

Yours sincerely, ANTHONY HOLLAND, Foot and Bowden, Solicitors, 70/72 North Hill, Plymouth PL4 8BH, January 10.

Energy demand: rising sales of electricity

From Mr G. Peterson

Sir, Mr Norman Jenkins (Letters, January 10) must be well known to you by now for his combined heat and power enthusiasm, but he should not let this distract the facts.

For instance, he says published data shows that the demand for electricity is falling. I would suggest he takes a look at page 60 of our Statement of Accounts and Statistics for 1978-79 which shows that it has risen steadily since 1973-74 and is still rising. Furthermore, I cannot understand why Mr Jenkins has the idea that "we have got to equal the electricity demand of 1973".

In 1973 sales were 196.2TWh and maximum demand 39.7GW. In 1978-79 they were 199.6TWh and 44.1GW respectively and are expected to be higher again in the current year. One would have thought that, as a hindsight forecaster, Mr Jenkins would have at least got his facts right.

Yours faithfully, G. PETERSEN, Secretary Officer, Electricity Council, 30 Millbank, London SW1P 4RD, January 10.

equal the electricity demand of 1973".

An alternative approach is to have a very small category of those specially qualified to act as company secretaries. The difficulties in defining such a class or classes to suit all public companies are obvious.

Public companies even under the new definition will remain a class retaining enormous variations. The job of company secretary will vary correspondingly with the company.

Mr Butcher complained that there is no point in Parliament continuing its flood of legislation affecting all sectors of our daily lives, without any attempt to ensure that it will be workable and will be com-

plified with. It is precisely because I am so conscious of the legislation which Parliament has inflicted in the past upon society in general and businesses in particular that I believe that the clause in question should be resisted.

I know of no history of companies, their shareholders or employees suffering losses as a result of the misadventures of unqualified company secretaries. In any event, the directors have overall responsibility for the activities of the company secretary and might be responsible for the appointment of someone totally unsuitable for the task.

I suggest that Company Law should leave matters as they are and allow each public company to have appointed the company secretary suitable for the company concerned.

Yours faithfully, NICHOLAS BAKER, MP, House of Commons, January 9.

Garrard cuts staff by third

Garrard, the Swindon-based record player manufacturers, yesterday pruned one third of its staff. About 160 employees were made redundant following a notice issued to the workforce by Mr Alan Kirton and Mr Alan Peck, the joint managing directors.

The company also announced that it was closing its Newcastle Street, Swindon, operation, and moving to a new site on the Cheney Manor trading estate. The company had there had been a continued decline in the consumer electronic and audio market, and the immediate future did not indicate any expectations of improved sales.

It is understood the move is planned to start during February. Redundancies include 14 managers, 36 office staff, 25 indirect workers and more than 80 production workers.

The Brazilian company Gradiente bought the record playing business in November last year for £1m. Mr Nelson Bastos, the company's deputy chairman, said he wanted the Garrard manufacturing operation in Britain to be viable within the next 12 months.

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AGENT

JANUARY 3, 1980

Two-way pull on interest rates

**It is still
early days...**

The problem of enforcement

But the snag to Arthur Andersen's proposals is that they envisage a procedure

**It is still
early days...**

Dividends

Over the years...

household names whose dividends are not covered on this basis.

Will

Real changes in the figures, however, can only come from real changes in policy. On the expenditure side this will have to involve the ending of the link between social security payments and the rate of inflation. It seems that this exercise is under way for most such benefits, except old age pensions.

One problem is the illusion that huge sums of money can be saved by greatly improved administration. It is, of course, true that there is massive waste in the public sector. Any large organization has built in inefficiencies of this

There is only one way to make a major cut in public spending and that is to cut out a major function at present being done by government. That involves changes in policy, not good housekeeping and the paring of candle-ends. It is a nettle the Government has still not grasped.

Will the Government's nerve hold?

Number	Sector	Claim/settlement	Anniversary	State of bargaining
4,500	Atomic Energy workers	14-27% deal	Oct 1 '79	
85,000	Local Authority building workers	10% deal	Nov 4 '79	
35,000	Firemen	20.5% deal	Nov 7 '79	Last phase of 1978/79 strike settlement
240,000	Miners	22% deal	March 1 '80	10-month settlement, expires Dec 31; 1981 deal expires Oct 31. Working parties on 4 day week and protection of earnings. Negotiations opened Jan 14.
42,000	Gas workers	22-30% claim, £80 a week min.	Jan 20	
90,000	Electricity workers	"substantial", miners-level deal sought	mid-March	Negotiations start Feb 7
1,100,000	Local Govt manuals	15-17% claim, plus 35% week	Nov 4 '79	14% settlement expected on Jan 17
250,000	NHS ancillary workers	ditto claim	Dec 13 '79	Offer Jan 18; local gov-style deal likely
33,000	Water workers	46% + claim	Dec 1 '79	13% rejected; largest union (GAMWU) threatening strike
135,000	State steel workers	20% claim	Jan 1	National strike by four unions ending third week; self-financing 8% all round, plus 4% negotiable in total productivity talks rejected. Strike spreading to craftsmen
80,000	State shipbuilding workers	17-21% claim	Jan 1	Negotiations adjourned to next month
180,000	Railway workers	"substantial", believed to be 20%	April 24	NUR ending joint talks with other rail unions; productivity discussions in progress
500,000	Civil servants	15-20% expected from PRU exercise	April 1	Preliminary negotiations due to open this week
200,000	Postal workers	No claim yet	April 1	Talks proceeding on new wage structure
17,000	Ambulance men	"substantial"	Jan 1	Local-gov level deal expected
30,000	University manuals	15-17%	variable	14% offer last week
450,000	Nurses & Midwives	No claim yet	April 1	NHS manual-style deal expected

as the gas workers		
their talks simul-	80,000	Stat-
ity, chief union negotia-		wor-
John Edmonds thought	190,000	Rail-
s Corporation, flush with		
could afford productiv-		
emes designed to give the	500,000	Civi-
er a better service.		
is less room for	200,000	Pos-
in electricity supply,		
the unions have sold jobs	17,000	Ami-
the years and collaborated		

shipbuilding workers	17-21% claim "substantial", believed to be 20%
servants	15-20% expected from PRU exercise
workers	No claim yet
landscapers	"substantial"

Jan 1	craftsmen	Negotiations adjourned to next month
Jan 24		NUR sending joint talks with other rail unions; productivity discussions in progress
April 1		Preliminary negotiations on PRU due to open this week
April 1		Talks proceeding on new wage structure
Jan 1		Local-govt level deal expected

Paul Routledge
examines
the state of
public
sector pay
bargaining

The threat to Government policy has come from a totally unexpected quarter. British

that much though the
ment has given Clegg
guidelines that define as
ly (and economically) as
the comparison pro-
remains to be seen
for the Clegg commission
or indefinitely in its
form, with practically
references on such

...the Government must not honour the PRU or demand office backs over and already envisaged by the unions of course does not make such a popular splash in the prints as a formal, ceremonial, bakery of regulations of Parliament, it is Government to achieve objective without loss of face, and thus far are using the device some deftness.

meeting, however, were much less speculation among union negotiators these days about the prospect of Mrs. Thatcher doing a U-turn on her pay policy. There is little talk about a freeze. And the steel industry has in miniature all the elements of Conservative policy: an unrestrained 11 per cent offer in the private sector, and a self-financing package

Business Diary: Beyond the fringe • Rhodesian reservation

three banks £100 a day, failed and the associations decided to go their own way. Some cynics at Bifu's Esher headquarters are suggesting that Dr Johnston is the ideal man for the CBU job. But hear that a more likely candidate is Sir James deputy

That change, however, was limited to letter-headings, and it looks as if the bank has decided not to bother with a new name plate until after next month's elections even though copper and brass are plentiful in Rhodesia.

"Please note that persons other than residents and guests found on bedroom floors are liable for prosecution"—notice in the Monomatapa Hotel, Southern Rhodesia.

Two countries means that for four hours in the middle of the day it is virtually impossible to establish telephone contact between specific individuals. "And Hoechst AG offices close at 5 pm European Standard Time—one hour before United Kingdom offices

Ross Davies

extra they may have to pay. They tend to agree on a date on which to raise prices for the year. This means they will use the same date as the companies and so on in many countries. But many hotels, for example, can't or won't fix price contracts."

Since the end of July, when fuel has risen in price by 10 per cent, says Mrs. Ho-

Edward Townsend



Mrs Margaret Hook: "80 per cent of holidaymakers have a guaranteed maximum price."

exceed a specific figure. In most cases this is £10 per person per week or 10 per cent of the holiday cost. Last year's surcharge was about 6 to 7 per cent

Edward Townsend

Ross Davies

Edward Townsend

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Profit takers move in during afternoon

Institutions have been full of money in the past few days thanks to half-yearly interest payments, and the surge in gilt edged and shares indicates a modest diversion of some of this cash away from the money market. But by the close of business yesterday many observers were wondering whether the confidence had not been overdone and quotations softened after hours.

Before that, a weekend comment extended last week's surge in gilts and shares. Buyers fastened eagerly on suggestions that interest rates would soon start to fall, possibly as early as mid-February. The impression also persisted that a steady end to the steel strike would be negotiated.

Gains of up to £2 were seen in long gilts and of up to 1 in shorts. Observers expect that the market will not remain long untapped however. It would not surprise them to see the authorities issue another tap at the end of this week in line with the market and by then institutions may not be so flush with cash.

Meanwhile in updated stocks,

War Loan where there has been evidence of foreign buying, went ahead £3 to £321. Among medium Treasuries 10 per cent 1992 rose £1 to £813 and in long Treasury 7½ per cent 2012-15 £1 to £251½.

At 10 am the FT index was 3.4 points ahead but the advance fanned out rapidly so that by 3 pm the index was 13.1 up at 443.3. The gain was not held and at the close the index was only 10.6 up at 445.8. It has indeed risen quickly since hitting a 1979-80 low of 406.3 on November 15 last, but the gain still no more than one would expect from a technical recovery.

The firmer conditions throughout the market were nowhere better reflected than in the industrial leaders. Unilever 14½ up at 476p and Glaxo 10p better at 468p continue to improve while ICI put up 6p at 373p and Fisons rose 5p to 289p. Elsewhere Grand Metropolitan increased 6p to 143p, ahead of Thursday's figures and Trusthouse Forte also reporting later this week edged ahead 3p to 145p. Gains of 5p were reported in BAT at 266p and in the steel sector at 137p. Hawker Siddeley at 194p both expanded 4p.

News that C. T. Bowring had, as expected, rejected the advances of United States broker, Marsh & McLennan did little for the shares which remained unchanged at 139p. Little activity was also reported in the shares of Tyne-side Investment Trust, 1p firmer at 136p, and Carliol Investment Trust, unchanged

at 138p, as both waited for Hume Holdings, with which they are having talks, to make a specific proposal. Yesterday also saw the shares of Ealing, the United States aircraft maker, commence dealing on the London market opening up at £251 and closing at £26. Emess Lighting, formerly ERA Ring Mill, also began trading yesterday, finishing 24½ up on the placing price of 80p.

Weekend comment provided a firm spot for some shares with Lohrns 6p better at 95p, Thomas Tilling 5p better at 118p. But Kitchen Queen reacted badly on adverse comment that the group's recent spate of acquisitions had gone badly wrong and was about to make a fast size dent in profits for the current year. As a result the shares slithered 6p to 28p.

SGS Group was excited ahead of today's report improving 10p to 235p while Tate & Lyle with figures out on Wednesday improved by the same amount at 160p as did Ree Stalks, also reporting on Wednesday, climbing 7p to 53p.

Among companies reporting yesterday Restmor jumped 9p to 92p spurred on by its announcement of a 33 per cent rise in pre-tax profits and Kenning Motors advanced 2½p.

Determined buyers have been at work in Unicorn Industries, the diamonds, abrasives and materials engineering group. The final dividend and figures are not due until April in the half year to last June Unicorn just kept profits moving. Last September the group lost four executives in a plane crash in the South of France. The shares were 5p up at 84p.

to 68p after figures much in line with most market estimates. Bett Bros was another feature to finish 1p firmer at 43p after its preliminary results, but sharply reduced profits sent E. Elliot plunging 6p to 38p.

Exchange Telegraph continues to improve on rumours that someone is about to make a bid and the shares jumped 10p to 179p as a result.

Stores began the day on a firm note much in line with the remainder of the market but the announcement of the Retail Price Index put paid to any further gains with most finishing off the top. House of Fraser was the main choice after further suggestions that Lohrns was about to make a full-scale bid and the shares reacted 12p to 119p. Harris Queensway increased 3p to 59p as did Marks & Spencer at 89p. Boots were 7p better at 180p and GUS "A" managed a 3p rise on the day at 380p.

Equity turnover on January 11 was £132.068m (16,127 bargains). Active stocks yesterday, according to the Exchange Telegraph, were: ICI, Consolidated Gold Fields, Lasso, Charter Consolidated, First National Finance, Rio Tinto Zinc, Lohrns, National Westminster, Shell, Dunlop, GEC, Marks & Spencer, Midland Bank, Barclays Bank, Ultramar, Imperial Continental Gas, Grand Metropolitan Hotels and Rascal Electronics.

Latest results

Company	Sales	Profit	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
Bett Bros (F)	20.3(20.0)	2.3(2.0)	0.87(0.86)	1.5(1.33)	17/3	2.5(1.9)
Claverhouse Tr (F)	—	0.87(0.86)	0.87(0.86)	3.7(2.9)	4/3	5.95(4.4)
Elton (F)	2.8(2.4)	0.10(0.10)	0.10(0.10)	1/2	—	—
Howard Shuttling (F)	1.8(1.7)	0.39(0.21)	2.9(2.1)	0.80(0.54)	3/3	—
Kenning Motor (F)	236.0(215.0)	8.4(8.3)	14.8(1.9)	3.75(2.88)	1/4	5.5(4.63)
J.R. Rubner (F)	—	0.18(0.16)	3.2(2.94)	2.2(1.9)	—	—
Murray Mkt (F)	—	0.44(0.41)	0.44(0.41)	1.7(1.5)	14/1	—
Restmor Grp (F)	6.2(4.2)	0.73(0.36)	—	0.5(0.28)	7/3	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net.

Record sales of Krugerrands

December sales of Krugerrands at 695,411 reached a record peak, the previous high being just over half a million. For the year to December sales totalled 4,940,755.

Since the Krugerrand was first minted in November, 1970, the total sold has been 27,461,155 which is nearly the equivalent of year's production of gold, and more than the South African annual output. The squeeze on Krugerrands which lifted the interbank premium on the coins as high as 7 per cent has started to ease as supplies are now coming in volume from the South African mint.

The excessive shortage of

Krugerrands was caused by an abnormal demand in the closing weeks of 1979 at a time when the mint had closed down for its annual four-week holiday.

This, together with a week to clean up and a week to restart operations, means that for an effective six weeks no coins are minted. The intergold operation of the Chamber of Mines anticipated a recovery by building up stocks which would normally satisfy expected demand.

But demand during December far outran the most optimistic expectations. Mr Mackay Coghill, general manager of Inter-gold said that by December 17 his organization had run out of stock. By December 21, except for a few thousand coins for

the local market, not a single coin was available at a time of soaring demand.

In the United States demand was so fierce that the interbank premium rose to 7 per cent. This brought out some profit-taking but even so the premium did not disappear: it fluctuated between 4 per cent and 7 per cent when the auction price hovered at record levels.

Although supplies were short in Britain, the squeeze was most acute in the United States and in Germany.

The mint reopened on

Recovery in second half aids Bett Brothers

By Rosemary Unsworth
Bett Brothers, the Dundee-based building contractor, suffered a difficult first half but managed to reverse its losses by the year end on a small decline in turnover.

Pre-tax profits rose by 13 per cent to £2.3m while turnover went from £20.6m to £20.3m in the year to August 31, 1979. The company's downturn was largely due to the fall in public sector work which now accounts for 55m of group turnover.

Private housing work contributed £10m to sales thus reversing the mix between the two during the year. Improved margins on private housing side, in contrast to those in the public sector enabled the group

to match the expected profits. The share price rose 1p to 43p yesterday.

Bett's property subsidiary, which contributed about £400,000 profit, has continued to increase its portfolio, and performed to expectations, said the board. Rental income has increased and rent reviews have had a beneficial effect.

The group has recovered some of the public sector work in the current year and managed to increase margins with two new contracts. The final dividend is 2.14p gross against 2p, making a total of 3.57p compared with 2.92p, a 30 per cent increase which was prompted by the end of dividend restraint.

Spillers' chairman resigns

Mr Michael Vernon resigned yesterday as chairman and chief executive of Spillers, the flour and pet food group taken over by Dalgety after a fierce battle last year. A Dalgety spokesman said compensation had now been agreed, but declined to disclose the figure, which some sources have estimated could approach £200,000. All three non-executive directors of the company and Sir Archibald Forbes company president, also resigned. Mr G. Terry-Pryce, Dalgety group managing director, has been appointed chairman and chief executive of Spillers.

hopeful that this will continue in the coming months.

GRANGE TRUST
Pre-tax revenue for year to Nov 30 up from £440,000 to £517,000. Total gross dividend, 4.57p (3.59p).

FACT PETROLEUM
Pre-tax profit for year to October 31, £1,000,000. Board considering appropriate share at which to seek Stock Exchange listing under Rule 153 (31).

MERCANTILE CREDIT
Mercantile Credit, through its offshoot, Barclays Mercantile Industrial Finance, has completed a leasing arrangement, worth £10m, with International Computers to finance the redevelopment of ICL's 13-acre site at Manchester.

Briefly

WEARWELL
Applications were received for 3,761 new ordinary shares at 34p per share (93.07 per cent). Offered to shareholders in Wearwell by way of rights. Balance of 429,300 new ordinary shares have been sold at a premium.

CHESHIRE BUILDING SOCIETY
The Cheshire Building Society, one of the big three North West-based building societies, announced that assets increased in 1979 by 21 per cent to £118m. The society now has over 100,000 investing members whose holdings are in excess of £10m. Gross investment receipts amounted to over £35m and total interest paid to members exceeded £8.5m. Mortgage lending amounted to almost £24m. Reserves of £25m represent 5 per cent of assets with liquidity of £21m being equivalent to 18 per cent of assets.

T. COWIE
The improvement in supply of vehicles in the past few months has enabled the group to generate profits exceeding those in the similar period of last year and the chairman, Mr T. Cowie, is

hopeful that this will continue in the coming months.

COMMON BROTHERS
Electra Investment Trust is interested in £19,500 ordinary shares (13.94 per cent) of Common Brothers Group.

DELTEYNE HOLDINGS
Delteyne Holdings' three-for-five rights issue of 3.65m new ordinary shares has been taken up for 83.1 per cent. Balance sold at a premium.

ANCHOR CEMENTAL
Sartorius Industries has bought a further 35,000 ordinary shares in Anchor Cemental, making a total of 530,000 ordinary (18 per cent).

GIEVES GROUP
International Land Investments has sold the docks and car garages to the NAMOS Motor Group, London motor distributors and part of the Gieves Group. The price was about £400,000.

UNLOCK GROUP

Unlock Group is to buy Ergonomics International Holdings in exchange for an issue of Unlock shares, subject to Unlock shareholders' approval. Ergonomics are importers and distributors of office furniture systems, etc.

MURRAY NORTHERN
Pre-tax revenue of Murray Northern Investment Trust for half-year to November 30 up from £412,000 to £440,000.

ITRA RUBBER PLANTATIONS
Pre-tax profit for year to September 30 up from £102,000 to £104,000. Gross dividend, 3.14p (2.43p).

SEARS HOLDINGS
Sears Holdings' offer for Wallis Fashion Group accepted for over 90 per cent of the ordinary and preference capital. Takeover not to be referred to Monopolies Commission. Offers unconditional and will remain open.

TULLIS RUSSELL
The assets of Britains Converters, previously a member of the Britains Group, which is in receivership, have been purchased by Tullis Russell, the Scottish papermakers. Britains Hanley factory became a subsidiary of Tullis Russell and will commence trading as Britulius (TR) Limited.

CLAVERTHOUSE TRUST
Claverhouse Investment Trust's gross revenue for 1979 rose from £599,000 to £919,000. Total gross dividend, 8.5p (6.39p).

FORT ELECTRONICS
Liquidator reports that he is now able to complete the winding up of the company. As already known, no dividend is payable to either the preferential or unsecured creditors.

Renault's all round record

The French state-owned Renault Motor Company has announced record production, sales and exports for 1979, and is looking forward to further expansion in the 1980s.

Turnover rose by 23 per cent last year to Fr42.2bn (about £4.4bn) while group sales increased by 20 per cent to Fr66.5bn.

Worldwide production of Renault increased 10.5 per cent to 1,899,470 units, while exports rose 13 per cent to 1,085,434 vehicles or 57.1 per cent of output. It increased its share

Cavenham Holdings indicated that more than 93 per cent of the outstanding Weingarten shares had been tendered.

Cavenham also indicated that payment for all shares properly tendered would be made as soon as practicable.

A spokesman for Cavenham Holdings said the company intended to propose a merger transaction with Weingarten to be completed as soon as practicable in which holders of Weingarten shares would receive £12 for each of their shares of Weingarten common and Weingarten would become wholly-owned subsidiary of Cavenham Texas.

International

of the French market to 35 per cent from 34.2 per cent in 1978, and improved its penetration in all members of the EEC where Renault took 12.8 per cent of the market.

Sales of Renault models rose 23.8 per cent in Italy (9.8 per cent of the market), 5.3 per cent in West Germany (5 per cent) and 34.2 per cent in Britain (5.4 per cent). Increases were also recorded in Belgium, Holland and Spain.

Cavenham Texas

Cavenham Holdings of America says the offer by its wholly-owned subsidiary, Cavenham Texas, to purchase shares of common stock of J. Weingarten expired at the weekend.

Swedish Eurocredit

The Swedish forestry firm, Norrlands Skogsagars Celulosa AB (NCB) is raising \$46.5m through a syndicated Eurocredit.

The seven-year credit has a three-and-a-half year grace period and carries interest at 7 per cent over London interbank offered rates.

Lead arranger is Pibank Investment, which they lead managed a seven-year \$27.175m credit for the Norwegian shipping company, Partedieret Wilnor, but did not disclose terms.

Commerzbank

Commerzbank AG of West Germany has confirmed as lead manager the Ireland Dm150m eight-year Eurobond with 8½ per cent coupon was priced at par.

Mergers

Mergers are a barometer of business optimism. Or so says Mr Nicholas Stacey, deputy chairman of Chesman Amalgamations & Investments, a company specialising in arranging for one firm to marry another, with or without a shotgun. In his latest annual report on this vital, if slightly arcane, area of financial statistics, Mr Stacey estimates that last year the value of acquisitions was £1.8bn, compared with £1.14bn in 1978.

This might suggest that we are returning to the bad old days of the early 1970s when mergers mounted, reaching their peak in 1972 when they were valued at £2.53bn. But the barometer's precise warning is clouded by two provisos: the number of deals in 1979 was an estimated 550, against 567 for the previous year; and in real terms, taking 1969 as a base, their value was £331m, well below the level attained a decade before.

Mr Stacey feels that mergers may be on the increase. This year could see two acquisitions of greater value than 1979. It would be wrong, however, to assume that mainly small fish being gobbled up by presumably bigger fish is necessarily undesirable. Small is not logically more beautiful than big.

The contemporary fashion is for investing and encouraging small companies, either private or quoted. They offer faster growth—attractive to investors when yield is an important consideration—and may add to employment. But being bought out is as much an indication of success as of reaching the limits of self-generated development.

So one aspect of the merger business at the moment is "hiving off". A company started as part of a larger concern, or caught up in the mesh of a nationalised industry, may well thrive on independent management and finance.

But that leaves a substantial residue of companies which merged for other reasons. The argument is whether the causes are internal to the company, or external, or a combination. Often, internal factors are crucial. Since many small companies are started by entrepreneurs, they are often replete on the health and energy of the founder or his family.

The biggest single reason for merging, therefore, is the inability or reluctance of a businessman, in his later years, to tackle the increasingly awkward problems of modern business.

At around 200 employees such a company can feel it has reached the boundaries of its management capacity. It is difficult to manage a company of this size. Merging is obviously a way in which more capital is found. But that is usually because small companies are not aware of the alternatives, or do not want to use them. A family might prefer to sell out rather than go to the trouble of obtaining a stock exchange listing.

People who regard mergers as bad, as leading to too great a concentration of capital and of clipping companies' growth prospects in their prime, are attacking the wrong target. The solution, Mr Stacey suggests, is not more but less control over private capital

movements and mergers and monopolies.

The concomitant of wanting to encourage small business is to ease capital taxes and to use monopoly legislation with more discretion. This would turn the present Government's policy upside down. Instead of strengthening legislation on monopolies, which in some quarters is regarded as adequate, government should pay less attention to perfect market theories and more to whether mergers in fact intensify competition.

After all, there is a world of difference between mergers which do concentrate the market—though not necessarily against the public interest—and mergers which give new life to a company, enabling it to expand, create more jobs, develop new products.

Companies have a life cycle. We can no more live in a world of small companies than we can live in a world populated only by children. Companies are bought, new ones take their place, the complexion of the bigger, acquiring companies changes. In this sense, entrepreneurial companies are popularizers, introducing new business and new products.

But there must still be truth in the received idea that mergers are a sign of bad times. If mergers are a barometer of confidence, the argument works both ways. If business looks healthy, companies will invest and expand by buying other firms. If business looks poor, companies may be forced to seek partners.

Optimism is hardly the motivation at the moment. Indeed, a depressed stock

Kenning diversification helps to overcome falling car sales

By Alison Mitchell
Diversification has helped Kenning Motor Group contain the downturn resulting from the fall in car sales.

In the year to September 30, 1979, the group turned in a pre-tax profit of £8.4m, against a previous £8.3m on turnover of £20.5m higher at £236m. The figures were much as expected in the market and include depreciation of £9m (against £7.6m) and interest charges of £1.2m, compared with a previous £960,000. Borrowings, thought to be around £12m net, amount to some 24 per cent of shareholders funds.

In the period under review motor deposits suffered from intense competition and margins were under pressure because of severe price cutting and high finance charges. Profits from the contract hire business fell as a result of high interest charges and a shortage of certain vehicles, particularly Minis. Kenning is a main dealer for RL cars in the UK.

Car and van hire produced



Mr George Kenning, chairman of the Kenning Group

record figures, despite the fall in the tourist trade. Profits were also sharply up in the tyre subsidiary.

The group is cautious about forecasting for the current year. High interest rates and increased overheads are likely

to combine with reduced demand for new and second hand cars, to push profits lower, says the chairman Mr George Kenning.

However, although the car distribution and short term car hire are likely to see a downturn in profits, by some £1.5m, the other divisions ought to continue to improve their performance. As such, pre-tax profit for the current year could amount to £7.25m.

The annual profit from the Rhodesian subsidiary which has not been reconstituted amounts to £1.4m a rise of 14 per cent on the previous period. Net assets there amount to £5m and it is thought that, if the figures are reconstituted next year, the profits may make up the short-fall from the UK side of the business.

For shareholders there is a 13 per cent rise in the annual dividend at 7.8p gross which raises the yield, on a share price 2½p better at 68½p, to 11.3 per cent. The p/e ratio amounts to 5.

Trusts invite Hume to bid talks

Carloli and Tyneside Investments Trusts have invited Hume Holdings to a meeting this week to discuss Hume's bid for the trusts.

Hume, which is a recently-acquired subsidiary of Rothschild Investment Trust, holds an 18 per cent stake in Carloli and a 14 per cent stake in Tyneside. Since the news of the approach was announced

last week, Carloli and Tyneside's share price have risen by 30p and 135p respectively.

Carloli's net asset value at December 31, 1979, was 163.5p and that of Tyneside on the same date was 156.5p, after taking prior charges at par, giving negative discounts yesterday of 18 and 16 pence.

If the scheme goes ahead, it

will be through a paper and unitization settlement, rather than cash. The two trusts would then become part of the Target group which is an offshoot of the Deutsche Bank.

The offer document is likely to be published in the next three or four weeks if discussions go well.

Rantlodge plan for Nationwide

By our Financial Staff
Rantlodge, a private investment company, which recently took control of the troubled Nationwide Leisure has announced its management plan for the group.

The chief directors of Rantlodge, Mr Tony Hanson, Mr Eric Farnsworth and Mr Jeremy Muller will take over the board of Nationwide. Additionally Mr Vincent Cobb, who is managing director of Rantlodge's travel subsidiary Club 18-30 will become managing director of leisure and travel at Nationwide while Mr Brian Garnett will become man-

aging director of Nationwide's largest subsidiary Surrey Car and Caravan Company.

These moves will not take place until the current Nationwide directors co-opt the Rantlodge men on to the board and resign themselves. Mr Muller said yesterday that terms for the resignations are still being worked out.

Rantlodge, which was set up in 1977, was offered its initial 20 per cent stake in Nationwide in that year by British Car Auctions and in November last year took up its option to buy a further 30 per cent from the chairman Mr John Hutch-

ings at 6p per share. The group, having 50.02 per cent, were then required to bid for the rest of the shares and, when the offer closed at the end of last week, Rantlodge had brought its total stake to 60.69 per cent.

The three directors of the Nationwide board other than Mr Hutchings, wrote to shareholders to report that they intended keeping their 2.5 per cent holding. Last night none would make any comment on the Rantlodge announcement. Outside of its travel and leisure interests Rantlodge is involved in property leaseholds.

Change in tax incentives planned

Legislation to prevent United Kingdom tax incentives from being used to support the leasing abroad of foreign equipment is planned for the 1980 Finance Bill. The move, first outlined by the Inland Revenue last October, is a result of the ending of exchange controls.

The Inland Revenue has now issued a consultative document, which goes into more detail on how the new provisions will operate. The most important provision remains that expenditure on foreign plant and machinery for leasing to non-resident lessees will qualify for only 25 per cent capital allowances instead of the usual 100 per cent first-year allowances.

Return of small investor needed
The Government is hoping for a revival of the small investor—personified by "Aunt Agatha in all her manifestations"—Industry Secretary Sir Keith Joseph said yesterday.

Speaking in a group of leading figures in insurance companies, pension funds, clearing and merchant banks, he commented that the first step towards fiscal changes had been taken at the last Budget.

Although other possibilities were being examined the financial institutions also had a part to play, particularly in the field of investment in small companies. Sir Keith acknowledged that there was a high risk and high cost investment but he said small investments but he said

that the reinvigoration of small companies was a crucial element in the revival of the economy. Because of the extent of the institutional dominance in capital markets, they had a part to play, he added.

S Montagu's stake in Amman merchant bank

Samuel Montagu & Co has acquired a 5 per cent shareholding in Jordan Securities Corporation, a newly-formed merchant bank based in Amman, Jordan, and has entered into an agreement for the provision of technical advisory services. JSC will undertake a comprehensive range of merchant banking activities, primarily in Jordan.

The share capital of JSC is 2m Jordanian Dinars. The other shareholders include 20 leading Jordanian financial institutions from both the public and private sectors, together with International Finance Corporation (10 per cent), Kuwait International Investment Company (10 per cent), European Arab Bank (5 per cent), and some 2,000 private Jordanian investors.

Engineering dispute knocks E Elliott

In the half year to September 30, pre-tax profits of E. Elliott slumped from £104,000 to £37,000. This was in spite of turnover rising from £2.48m to £2.85m. The board said the profit fall resulted from a combination of reduced margins and the effects of the

engineering strike. But a considerable improvement is seen for the second half, although the board warns that the final profit will not match last year's. While maintaining the dividend at 1.42p gross, the board also warns that it is uncertain of the effects of the steel strike. Elliott are moulders in plastic and makers of optical goods.

Banking facility of £25m for Motolease

A £25m medium-term facility for financing the leasing expansion plans of Motolease, a subsidiary of C. E. Heath & Co, has been provided by a consortium comprising Citibank, Bank of America, Lloyd's Bank and the Bank of Montreal. Motolease, formed two years ago as independent specialists in car and commercial vehicle leasing and fleet management is now

[illegible]

§ Forward bargains are permitted on two previous days

[illegible]

